2.5 Tourism Development Potentials

2.5.1 Tourism Development Administration

1) Tourism Organizations

(1) Department of Tourism (DOT)

The DOT consists of the Central Office, 14 regional offices in 12 regions, 13 foreign offices in Hong Kong, Osaka, Tokyo, Singapore, Sydney, Paris, Los Angeles, San Francisco, New York, Toronto, Frankfurt, Korea and London.

(2) DOT-related Organizations

a) Philippine Tourism Authority (PTA): In 1973, the PTA was created at the same time that DOT was established. Its function is to serve as the DOT's implementing organization to enhance tourism through development of tourism-related infrastructure such as construction and improvement of public parks, establishment and restoration of museums, putting up street lighting projects and so forth including the proper maintenance of such projects. In relation to its program on sustainable development, the PTA is also carrying out various joint venture projects with government organizations and the private sector for reforestation, greening, sanitation and so forth. In March 1995, the PTA held an Ecotourism Training-Workshop in cooperation with the Philippine Federation for Environmental Concerns.

b) National Parks Development Committee (NPDC): This committee is one of the agencies under the jurisdiction of DOT. Its function is to maintain, supervise, and manage the operations of the Rizal Park, Burnham Park, and Ang Pook ni Mariang Makiling. It also provides socio-cultural, recreational and educational programs and activities to park visitors.

c) The Intramuros Administration (IA): The IA is attached to the DOT and its task is to plan, restore and administer the development of historic sites in Intramuros according to the policy of perpetuating Filipino heritage and enhancing the Filipino national identity. Enforcement of security, land use zoning and cleanliness ordinances, rules and regulations inside Intramuros are also implemented by the Administration.

d) Philippine Convention and Visitors Corporation (PCVC): This organization, formerly called the Philippine Convention Bureau (PCB), was renamed PCVC in 1987. Its functions were strengthened to enable it to organize more conventions in the Philippines. The PCVC is an agency attached to the DOT. It seeks to promote conventions and events as well as carry out general tourism promotion activities in the country.

e) Nayong Pilipino Foundation (NPF): Nayong Pilipino is a park which exhibits the traditional cultures of the Philippines. The NPF carries out development, rehabilitation, renovation and management of the park, as well as cultural activities and special events in relation to the culture of the Philippines.

f) Corregidor Foundation, Inc.: This semi-governmental organization is attached to the DOT. The main role of this organization is to develop and manage tourist attractions in Corregidor Island and to maintain the historical sites in the island.

(3) Other Tourism-related Organizations (Representative)

a) Philippine Commission on Scuba Diving Sports (PCSDS): This commission is a semi-government organization which operates under the Office of the President. Some members of the PTA staff are detailed to this commission. The commission seeks to protect and enhance diving sites and to promote scuba diving as a sport. It is also responsible for issuing licenses to scuba divers. In popular diving areas, posters showing the rules in protecting marine resources are prepared by the PCSDS.

b) Philippine Amusement and Games Corporation (PAGCOR): This corporation is a semi-government organization operating under the Office of the President. The corporation is tasked with operating casinos. Funds generated by the corporation are used in public service projects. Funds are available, upon request, for projects of the different line agencies of the government, including DOT. PAGCOR is now carrying out street lighting projects in Metro Manila as part of its public service program.

c) Technical Education and Skills Development Authority (TESDA): This is a manpower training institution formerly called the National Manpower and Youth Council. The TESDA is attached to the Department of Labor and Employment. In relation to tourism, the TESDA offers certificate courses in baking, housekeeping, workmanship of bartenders and waiters, and culinary arts. Also, TESDA grants licenses to individuals who have undergone such skills training. Applicants must pass the qualifying examinations (written examination and skills test) to be given such a license.

d) Asia Pacific Hotel Training Institute (APHTI): APHTI is a private institution established to meet the demand for skilled and semi-skilled workers. Such need was recognized during the manpower survey conducted in the course of preparing the Philippine Tourism Master Plan. It offers short certificate courses such as housekeeping, food and beverage service, front office, travel operations, tour guide operations, and conference and events management.

e) Regional Tourism Training Institute: This is a proposed training institute to be attached to the Philippine Women's University. The institution is proposed to operate through public/private sector cooperation. The DOT plays a key role in the establishment of this institution.

f) The Asian Institute of Tourism: This public institute was established within the University of the Philippines system. It offers a four (4)-year B.S.degree course in tourism.

g) Hotel Tourism Institute of the Philippines: This is a private training institution formed by the DOT, the Hotel and Restaurant Association of the Philippines (HRAP) and IA-related institutions. It will start operations in 1996 and it will offer four-year diploma courses.

2) Function of the Local Government

(a) Strengthening the Power of Local Government Units: In July 1991, "An Act Providing for a Local Government Code of 1991" (Republic Act No. 7160) was enacted. This act is known and cited as the "Local Government Code of 1991". It drastically introduced local autonomy and decentralization which simply means more power, authority, responsibilities, and resources to Local Government Units (LGUs). Accordingly, the capabilities of LGU's were enhanced since they were given more opportunities to participate actively in the implementation of national programs and projects. In view of their political and corporate nature, LGU's now exercise powers as a political subdivision of the National Government and as a corporate entity representing the inhabitants of a concerned territory.

In this context, LGUs are required to discharge the functions and responsibilities of national agencies and offices devolved to them pursuant to the Local Government Code. Such basic services in relation to tourism are summarized in paragraph (iii) of the Code.

Though the word "tourism" is not used, the following items are deemed tourism-related: services and facilities related to general hygiene and sanitation, beautification, and solid waste collection; maintenance of barangay roads and bridges and water supply systems; infrastructure facilities such as multi-purpose halls, plazas, sports centers and so forth. Tourism facilities and other tourist attractions, including the acquisition of equipment, regulation and supervision of business concessions, and security services for such facilities are listed in the Code. (Other tourism-related items such as solid waste disposal systems, services or facilities related to general hygiene and sanitation, and so forth are also included.) Tourism development and promotion programs are devolved by the Code.

As all the services and facilities of the municipalities and province are also applicable to the city, (2) and (3) above are also addressed by the city with regard to tourism.

(b) Cooperation among National Government and Local Government Units: As set forth above, the "Local Government Code of 1991" specifies that every LGU is entitled to exercise powers as a political subdivision of the National Government, and it also specifies that the realization of local autonomy is to be facilitated through improved coordination of national government policies and programs; and extension of adequate technical and material assistance to less developed and deserving LGU's. And the participation of the private sector in local governance, particularly in the delivery of basic services, is to be encouraged to ensure the viability of local autonomy as an alternative strategy for sustainable development.

Concerning inter-governmental relations, the "Local Government Code of 1991" specifies the need for general supervision and direction by the President. The Act also provides that national agencies and offices with project implementation functions should coordinate with one another and with the LGU's concerned in the discharge of these functions. They shall also ensure the participation of local government units both in the planning and implementation of said national projects.

3) Actual Performance in Decentralization of LGUs in Northern Palawan

Though the "Local Government Code of 1991" encouraged local autonomy and cooperation between National Government and LGUs, the realization of this objective is still in its transitional stage. Significant activities under this are as follows:

(i) <u>The Palawan Council for Sustainable Development (PCSD)</u>: The Palawan Council for Sustainable Development (PCSD) is organized under the Office of the President as a cooperative body of the national government, related LGUs, NGOs and politicians. The "Strategic Environmental Plan (SEP) for Palawan Act" or Republic Act No. 7611 (s. of 1992) created the PCSD to provide policy directions and to implement the provisions of the Act. Although the functions of the PCSD relate to various aspects of the environment in Palawan, the PCSD also recognizes its important role in guiding LGUs in exercising their devolved regulatory functions from the Department of Tourism. One example is the approval and adoption of the "Guidelines for Tourism-Oriented Establishments in the Province of Palawan" in 1993 which was prepared by the Tourism Committee of the PCSD.

(ii) Tourism-related Organizations of LGUs in Northern Palawan: Tourism-related organizations are recognized to be active in some LGUs in Northern Palawan. In Puerto Princesa City, Provincial Tourism Office and City Tourism Office were established. In the Municipality of El Nido, a tourism office was established as well. The officials of this office are appointed by the provincial governor.

(iii) Licensing of Tourism Business: As set forth in (a) of this section, the function to regulate and supervise licensing of tourism business was granted to municipalities as well as to cities. As a result, the following services have been actually exercised by LGUs in Palawan:

- licensing and registration of tourism business such as tour agents, tour operators and tour guides (Puerto Princesa City and the Municipality of El Nido), and
- approval and licensing of hotel accommodations and restaurants (all cities and municipalities.)

(iv) Management of the National Park: In relation to the management of the National Park, activities of LGUs can be observed in Northern Palawan. One example is in St. Paul Subterranean River National Park where the Office of the Protected Area Management Board was established. This office is under the Puerto Princesa City government and its function is to collect an entrance fee from tourists. Income from such entrance fee is used to maintain the National Park area. Salaries of employees are funded by the city.

(v) Northern Palawan Tourism Project: In 1993, a paper entitled "Northern Palawan Tourism Project" was prepared by the Provincial Government of Palawan.

(vi) Tourism Master Plan for Puerto Princesa City: In 1993, the Tourism Master Plan for Puerto Princesa City was prepared by a consultant in Manila in coordination with the City Government of Puerto Princesa. Review of this plan is now underway. After the completion of the development plan in detail, the City Government may implement this plan. The plan will be finalized around the third quarter of 1996.

2.5.2 Tourism Development and Policy Direction

1) Philippine Tourism in the Context of World and Regional Tourism

During the last 10 years, tourist arrivals from abroad, particularly from the East Asia/Pacific Region increased to more than double from 21 million in 1980 to 70 million in 1993. Its average annual rate of increase was 9.7% which was more than double of the world's average of 4.6%. This sharp increase caused a corresponding increase in its share to the world total from 7.4% to 13.6%. Not only the economy of these countries comprising the region but also tourism in the region have expanded significantly with a much larger growth rate compared with the world average (refer to Table 2-27). Tourist arrivals in the Philippines are indicated in millions and it was observed that there had been no significant change in 1980-1993. However, its average annual growth was calculated at 8.6%, double that of world average. For 1994 and 1995, its growth rate was recorded at 14.7% and 11.7%, respectively. This continuing increase suggests that the higher rate of growth of Philippine tourism, in comparison with the world average, will continue in the years to come.

Table 2-27 Trend of World Tourism 1980 - 1993

	Arrival (Millions)					80-93	% to Total	
Destination Area	1980	1990	1991	1992	1993	%/Year	1980	1993
Africa	7	15	16	18	18	7.3	2.6	3.6
Americas	61	93	97	104	104	4.1	21.6	20.3
East Asia/Pacific	21	53	54	63	69	9.7	7.4	13.6
Europe	187	283	286	307	309	4.0	65.6	60.1
Middle East	6	8	7	9	9	2.9	2.1	1.7
South Asia	2	3	3	3	3	3.3	0.8	0.7
Southeast Asia Group[1/]	8	21	20	22	24	8.5	3.0	4.7
Philippines	1	1	1	1	1	8.6	0.0	0.0
World	284	455	463	502	512	4.6	100.0	100.0

Source: Yearbook of Tourism Statistics, 47th Edition, World Tourism Organization
1/ Southeast Asia Group, including the Philippines, is also a part of East Asia/Pacific Region.

The increase of international tourist arrivals in the Philippines have been quite sharp and outstanding even in the rapidly expanding Southeast Asian region (refer to Table 2-28). The average receipt per arrival in the Philippines is also outstanding and almost double the average receipts recorded in the region. It is to be noted that the share of tourism receipts in the amount of exports is almost double that of the world and regional average. From these, it can be inferred that tourism in the national economy contribute significant economic gains which are relatively higher in comparison with the world and regional averages. The Philippines is known to be one of the highest tourist receipt earners per tourist following Denmark (US$1,945) and Japan (US$1,847) as per Yearbook of Tourism Statistics of WTO in 1995 (refer to Table 2-29).

Table 2-28 Tourism of the Philippines in the Southeast Asian Region

Item	1989	1990	1991	1992	1993
Tourist Arrivals (000)					
• Southeast Asia Region	17,408	21,327	19,960	21,758	24,121
• Philippines	1,190	1,024	951	1,152	1,372
Annual Iincrease of Tourist Arrivals (%)					
• World	7.4	6.2	1.6	8.6	1.9
• Southeast Asia Region	18.4	22.5	-6.4	9.0	10.9
• Philippines	14.1	-13.9	-7.1	21.2	19.0
Average Receipt per Arrival (US$)					
• World	502	572	577	606	599
• Southeast Asia Region	628	662	698	780	787
• Philippines	1,243	1,247	1,346	1,451	1,546
Tourism Receipts as % of GNP					
• World	1.1	1.2	1.2	1.3	1.3
• Southeast Asia Region	3.7	4.4	4.0	4.3	4.3
• Philippines	7.0	4.8	4.3	4.9	5.5
Tourism Receipts as % of Exports					
• World	7.0	7.6	7.8	8.3	8.4
• Southeast Asia Region	9.0	9.8	8.5	9.2	9.0
• Philippines	18.9	16.0	14.5	17.0	18.7

Source: Yearbook of Tourism Statistics, 47th edition, World Tourism Organization
Statistical Reports, Department of Tourism , JICA Study Team

Table 2-29 Tourism Receipts

Item	1989	1990	1991	1992	1993	1994	Ave. Growth Rate
• Number of Foreign Arrivals (000)	1,076	894	849	1,043	1,246	1,415	4.7
• Length of Stay (days)	9.95	9.99	9.87	10.90	11.22	10.31	0.6
• Average Daily Expenditure (US$)	123	125	123	129	138	145	2.7
• Tourism Receipts from from Foreign Tourists (US$ mil.)	1,323	1,120	1,039	1,471	1,930	2,114	8.1
• Number of Overseas Filipinos (000)	114	131	102	110	126	159	5.8
• Length of Stay (days)	23.28	21.07	21.02	25.07	23.96	23.91	0.4
• Average Daily Expenditure (US$)	60	65	65	59	57	54	-1.6
• Tourism Receipts from Overseas Filipinos (US$ mil.)	158	178	140	162	172	206	4.6
• Total Number of Foreign Arrivals (000)	1,190	1,025	951	1,153	1,372	1,574	4.8
• Average Length of Stay	12.04	12.13	12.02	11.32	12.32	11.49	-0.8
• Average Daily Expenditures (US$)	103	105	112	128	126	126	3.4
• Total Tourism Receipts (US$ mil.)	1,480	1,306	1,281	1,674	2,122	2,283	7.5

Source: Annual Visitor Survey, DOT

Average annual growth of tourism receipts between 1989 and 1994 was computed at 7.5% which is much higher than that of GDP growth. Based on this finding, it can be said that the tourism sector of the Philippines is an important sector contributing to the development of the national economy as a whole (refer to Table 2-30).

Over the period 1989-1994, the average share of tourism receipts in GDP was 5.3% and the same accounted for US$2.28 billion which was 17% of the export value. The tourism sector played an important role in the national economy in terms of foreign exchange earnings and provision of employment opportunities. Its economic impact at the regional level has multiplier effects important to related sub-sectors also (refer to Table 2-30).

Table 2-30 Share of Tourism Receipts in GDP/GNP and Exports

Year	GDP :US$ mil.	GNP :US$ mil.	Export Value :US$ mil.	Tourism Receipts in US$ mil.	Tourism Receipt to GDP (%)	Tourism Receipt to GNP (%)	Tourism Receipt to Export Val. (%)
1989	21,582	21,269	7,820	1,480	6.9	7.0	18.9
1990	26,837	26,970	8,186	1,306	4.9	4.8	16.0
1991	29,497	29,924	8,839	1,281	4.3	4.3	14.5
1992	33,488	34,330	9,824	1,673	5.0	4.9	17.0
1993	37,556	38,697	11,375	2,122	5.7	5.5	18.7
1994	43,576	45,235	13,483	2,283	5.2	5.0	16.9

Source: Study Team

2) Tourism Master Plan Prepared by WTO

The Tourism Master Plan prepared in 1991 by the World Tourism Organization is recognized by the Department of Tourism as a blueprint of tourism development of the Philippines. The main conclusions of this study at a macro level are:

- the markets and the competitive attractions in the Philippines that match with them are available and can be delivered at a standard and price that is competitive in ASEAN, and
- the capacity of the economic, social and ecological environment to handle growth is still considerable despite the fact that there is a crisis in each sphere.

However, the physical capacity of the tourism sector is limited by:

- its inability to move large volumes of tourists to other parts of the Philippines outside the NCR;

- the lack of trained human resources at the required standard and quantity;

- institutional overlaps and human resource shortages in tourism planning, development financing and management area;

- land use planning and development policies that make it difficult to readily develop large resort estates; and

- unpredictable events such as earthquakes, volcanic eruptions, regional conflicts, internal political disputes and insurgency.

These factors place a limit on the total volume of foreign and domestic tourism that the Philippines could expect to generate in the short and medium term to longer term unless a program of action is taken to remove unreasonable restraints to expansion.

The main goals of the tourism master plan at the national level are:

- to optimize the contribution of tourism to economic growth at the national and regional levels;

- to enhance and contribute to social cohesion and cultural preservation at the local level;

- to develop tourism on an environmentally sustainable basis; and

- to develop a diversity of destinations, attractions and markets to minimize exposure to major internal and external threats to tourism activity.

The master plan spelled out that the best strategy to achieve these goals and objectives are:

- to adopt a cluster development approach based on the establishment of three main international gateways and associated satellite destinations, and

- to adopt a niche and mass market approach based on a diverse mix of special interest, vacation, resort, convention, exhibition, tour and incentive travel products.

Given the national tourism goals, objectives and strategic thrusts recommended, the following projections in the number of visitors sets out the target tourism levels considered as sustainable over the short, medium and longer term. Table 2-31 below shows the target of domestic and foreign tourists in figures projected in the Master Plan of 1991.

Table 2-31 Domestic and Foreign Tourism Targets in 1991 Master Plan

Period	Short Term to 1993	Growth (%/yr.) 1993-1996	Mid Term to 1996	Growth (%/yr.) 1996-2010	Long Term to 2010
Domestic Market					
• Visitors (000)	2,344	4.6	2,685	4.7	5,118
• Length of Stay (days)	3.8	-	3.8	-	3.8
• Bed Nights (000)	9,000	-	10,310	-	19,653
Foreign Market					
• Visitors (000)	1,500	4..5	1,710	8.5	5,365
• Length of Stay (days)	7.1	-	8.5	-	7.6
• Bed Nights (000)	10,666	-	14,604	-	40,767
Total					
• Visitors (000)	3,844	4.6	4,395	6.4	10,483
• Length of Stay (days)	5.1	-	5.7	-	5.8
• Bed Nights (000)	19,666	-	24,914	-	60,420

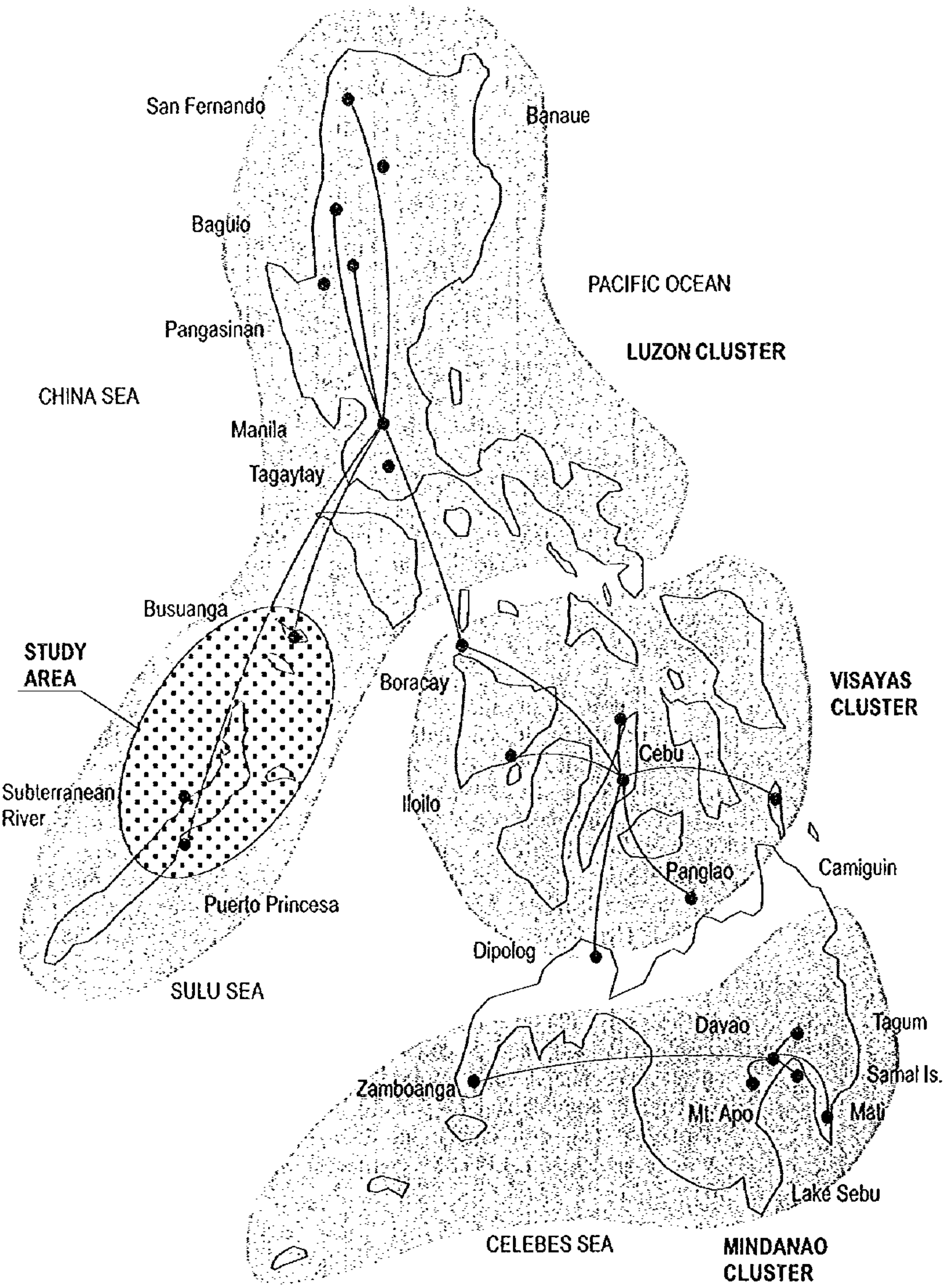
Source: 1991 Tourism Master Plan, WTO/UNDP, Study Team

In line with the Tourism Master Plan, the development of tourism in the Philippines is tied to creating three tourism development clusters (refer to Figure 2-16). Each cluster is served by one or two major international gateways, linked to a variety of satellite destinations. These three cluster areas are:

- the Luzon cluster including Palawan, Mindoro and Marinduque, based on positioning it as a multi-faceted destination providing attractions for all markets
- the Visayas cluster including Cebu, Bohol, Samar, Leyte, Negros Occidental and Oriental, and Panay, based on positioning it as a resort and cultural heritage destination, and
- the Mindanao cluster including Davao, Zamboanga del Sur and del Norte, Cagayan de Oro, Surigao del Norte and del Sur, Misamis Oriental and Occidental, based on positioning it as an exotic wilderness and cultural destination.

It is also spelled out that within this cluster gateway structure, there should be existing, emerging and potential satellite destinations, each with its own unique positioning theme. Within the context of this structure, and the objective of bringing about a fair distribution of tourism in the Philippines. The target volume of foreign and domestic tourists for each development cluster according to the 1991 Master Plan are set out in Table 2-32.

Figure 2 -16
Tourism Clusters and Northern Palawan



Source: Tourism Masterplan, WTO/UNDP 1991

Table 2-32 Distribution of Target Visitors (1991 Master Plan)

Cluster	Period	Short-term			Medium-term			Long-term	
		1993(000)	Share (%)	(%/yr.) 1993-96	to 1996(000)	Share (%)	(%/yr.) 1996-2000	2010(000)	Share (%)
Luzon	Domestic	3,117	53.2	4.9	3,593	53.2	4.9	7,037	59.4
	Foreign	1,072	71.5	2.6	1,158	71.5	6.2	2,682	50.0
	Total	4,189	56.9	4.3	4,751	56.9	5.2	9,719	56.5
Visayas	Domestic	1,341	22.9	4.3	1,520	22.9	4.5	2,815	23.8
	Foreign	344	22.9	6.6	417	22.9	10.4	1,663	31.0
	Total	1,685	22.9	4.8	1,937	22.9	6.2	4,478	26.0
Mindanao	Domestic	1,400	23.9	4.4	1,593	23.9	1.6	1,989	16.8
	Foreign	84	5.6	17.4	136	5.6	15.5	1,019	19.0
	Total	1,484	20.2	5.2	1,729	20.2	4.0	3,008	17.5
TOTAL	Domestic	5,858	100.0	4.6	6,706	100.0	4.1	11,841	100.0
	Foreign	1,500	100.0	4.5	1,711	100.0	8.5	5,364	100.0
	Total	7,358	100.0	4.6	8,417	100.0	5.2	17,205	100.0

Source: 1991 Tourism Master Plan, WTO/UNDP

3) Government Tourism Policies

Major targets to encourage tourism development are to improve economic conditions in general, to promote people participation, to protect the environment, and to preserve Filipino cultural heritage. In this context, the DOT has been conducting various activities such as planning and implementation of tourism development, stimulation of investment, enhancement of tourism promotion activities, holding of various events, development of human resources, provision of security and safety measures, and so on.

One of the most important activities underway has been the implementation of the Philippine Tourism Master Plan (TMP) which was prepared in 1991 as the nation's blueprint for sustainable tourism development. Northern Palawan is included among the conceptual area plans established in the TMP.

The DOT is eager to develop tourism sites which are not included in the TMP. Including such areas, the DOT is encouraging "ecotourism" type of development. This activity relates to the program referred to as "Philippines 2000" being carried out under the leadership of President Fidel V. Ramos in cooperation with the national government and local governments. The main theme of "Philippines 2000" is to improve economic conditions as well as to protect the environment. "Clean and Green" is a campaign phrase concerning the environment. In conjunction with this project, the DOT is pushing the project of "Philippine Tourism 2000."

Representative activities in "Philippine Tourism 2000" is the promotion of ecotourism and in relation to this, the DOT has formulated an "Ecotourism Code of Ethics." As a result, ecotourism has become popular in representing tourism sites and has included not only nature/culture-oriented tourism but also such activities to keep tourism sites clean. The beautification of tourism areas is in line with this program. From March 6-10, 1995, an "Ecotourism Training Workshop" was conducted by the PTA in cooperation with the

Philippine Federation for Environmental Concerns. Attendees were the staff of the Philippine Tourism Authority (PTA). These activities have been useful in the course of implementing the Philippine Tourism Master Plan.

To keep tourist sites safe, DOT has conducted safety-related activities referred to as the "DOT Patrol." These patrols are conducted by "tourism" police belonging to the Tourist Assistance Unit of the DOT. Tourist police patrols in tourism-related areas prevent any illegal activities as well as provide assistance in ensuring the safety of tourists.

2.5.3 Tourism Resources

1) Classification and Assessment Method of Tourism Resources

To assess the existing tourism resources categorically, the following method has been taken:

(a) Tourism resources have been broadly categorized into the following:

- Marine/Coastal Natural Tourism Resources,
- Inland Natural Tourism Resources,
- Cultural Tourism Resources, and
- Scenery Resources.

(b) Northern Palawan has been divided into four tourism clusters and 28 tourism areas taking into account area integration based on population condition, access, etc. (refer to Figure 2-17). It is, however, to be noted that planning work will not be undertaken on these areas but, rather, be limited only to assessment at this stage of the study.

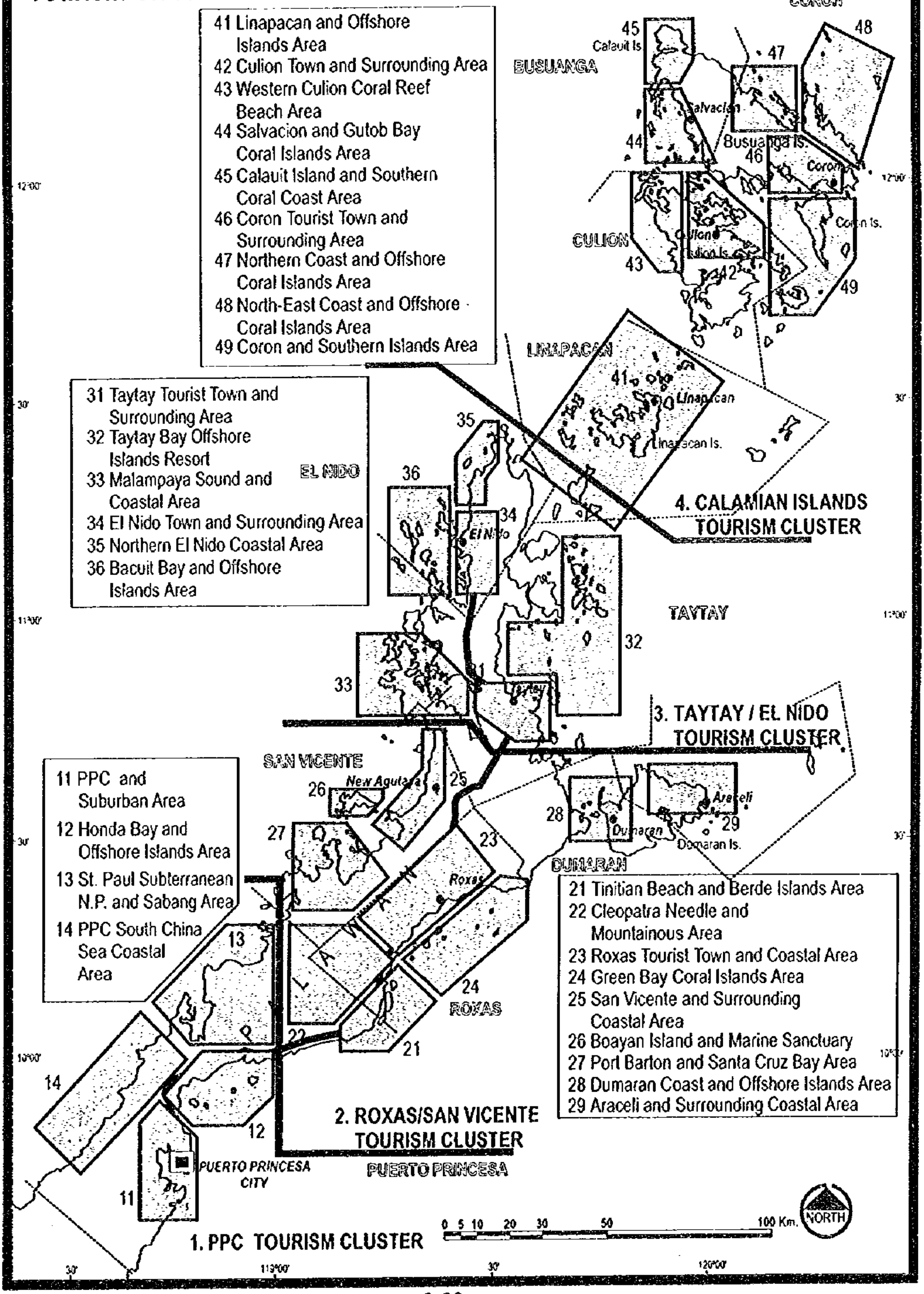
(c) The tourism resources have been assessed according to their utilization potential for tourism. Factors considered are:

- diversity/scale/impression/beauty/rare species of flora/fauna
- impression/composition/aesthetics/mystery/scale/panoramic
- and sunset view of scenery and land form, and
- opportunity and suitability for recreational and sport activities.

2) Existing Tourism Resources

Major tourism spots and resources identified and proposed by the provincial tourism office and each municipal government have been summarized for inclusion in further assessing the study (refer to Figure 2-18 and Table 2-33).

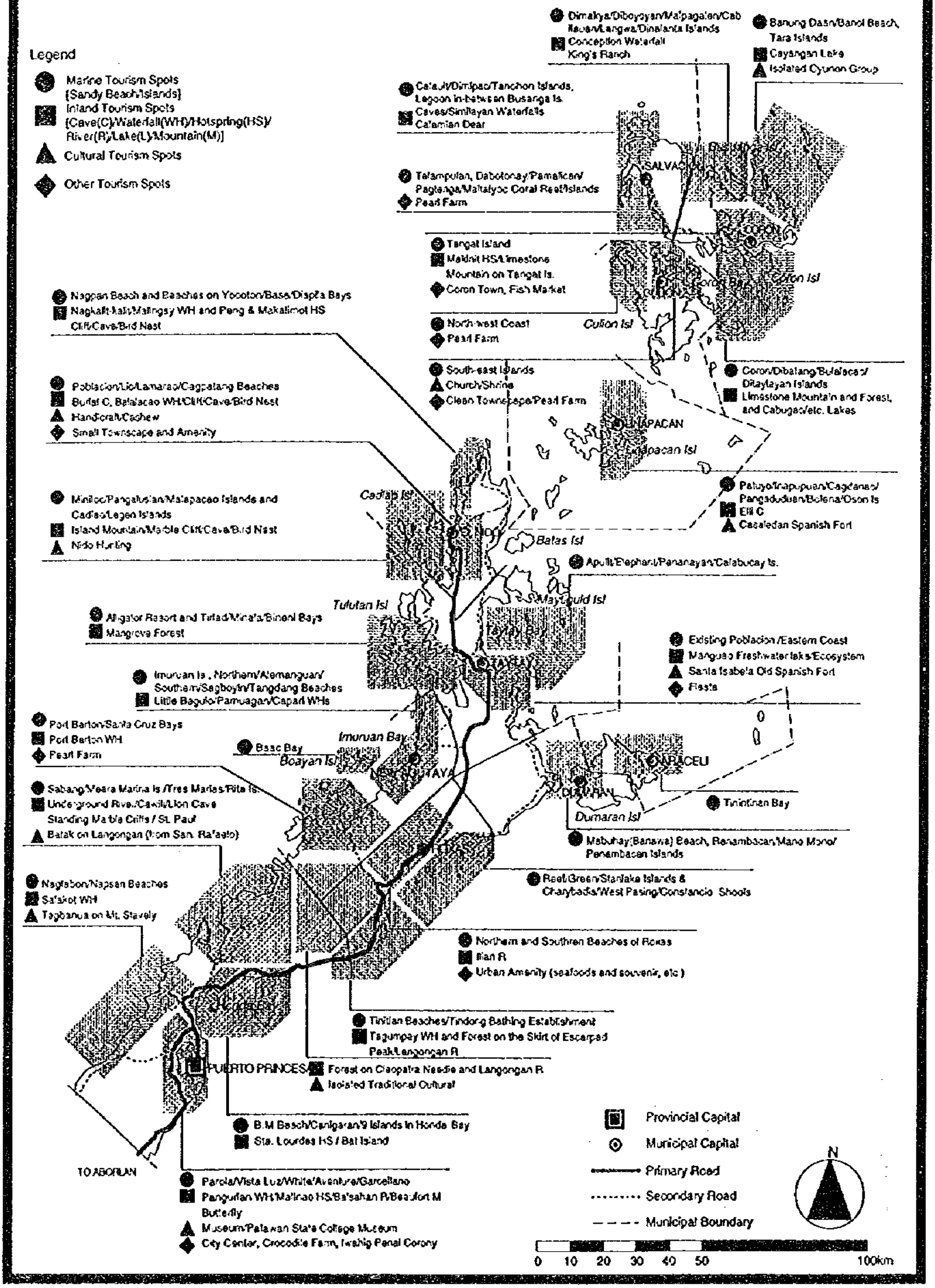
Figure 2-17
Tourism Clusters and Areas in Northern Palawan



Source: Study Team

Figure 2-18

Location Map of Identified Tourism Spots and Resources



Source: Worked out by Study Team based on various materials

Table 2-33 List of Identified Tourism Spots and Resources

Cluster/Area	Marine Tourism Spots	Inland Tourism Spots		Cultural Tourism Spots	Other Tourism Spots
	Sand Beach and Islands	Cave (C)/ Waterfall (WF)/ Hotspring (HS)/ River (R)/Lake (L)/ Mountain (M)	Others		
1 PPC TOURISM CLUSTER					
11 PPC and Suburban Area	Parola/Vista Luz/Aventure Garcellano	Pangurian WF/Malinao HS Balsahan R Beaufort M	Butterfly	Museum/Palawan State College Museum	City Center, Crocodile Farm, Iwahig Penal Colony
12 Honda Bay and Offshore Islands Area	B M Beach/Canigaran/ 9 islands in Honda Bay	Sta Lourdes HS	Bat Island		
13. St Paul Subterranean N P and Sabang Area	Sabang Meara Marina Is / Tres Marias/Rita Is	Underground River Cawili/ Lion Cave/Standing Marble cliffs	St Paul	Batak on Langogan (from San Rafael	
14 PPC South China Sea Coastal Area	Nagtabon/Napsan Beaches	Salakot WF		Tagbanua on Mt Stavely	
2 ROXAS / SAN VICENTE TOURISM CLUSTER					
21. Tinitian Beach and Berde Islands Area	Tinitian beaches/Tindong Bathing Establishment	Tagumpay WFs & Forest on the skirt of Escarpad Peak/Langongan River			
22 Cleopatra Needle and Mountainous Area		Forest on Cleopatra Needle and Langonga River		Isolated Traditional Cultural	
23 Roxas Tourist Town and Coastal Area	Northern & Southern Beaches of Roxas	Ilian River			Urban Amenity (seafoods & souvenir, etc)
24. Green Bay Coral Islands Area	Reef Green/Stanlake Islands & Charybadis/ West Pasing/Constacio Schools				
25 San Vicente and Surrounding Coastal Area	Imuruan Is Northern/ Alemanguan/Southern/ Sagboyin/Tangdang Beach	Little Baguio/Pamunga/New Capari Waterfall			
26 Boayan Island and Marine Sanctuaries	Baac Bay				
27 Port Barton and Santa Cruz Bay Area	Port Barton Santa Cruz Bays	Port Barton Waterfall			Pearl Farm
28 Dumaran Coast and Offshore Islands Area	Mabuhay(Banawa) Beach, Renambacan Mano Mono/Penambacan Islands				
29 Araceli and Surrounding Coastal Area	Tinitian Bay				
3 EL NIDO / TAYTAY TOURISM CLUSTER					
31 Taytay Tourist Town and Surrounding Area	Existing Poblacion/Eastern Coast	Manguao Freshwater lake	Waterfall Eco-system	Old Spanish Fort (Santa Isabel)	Fiesta
32 Taytay Bay Offshore Islands Area	Apulit/Elephant Penanayan Calabecay				
33 Malampaya Sound and Coastal Area	Alligator Resort & Tiriad/ Minala/Bineni Bays		Mangrove Forest Cliff		
34 El Nido Town and Surrounding Area	Poblacion/Lio/Lamarao/ Cagpatang Beaches	Burial C. Balalacao Waterfall	Cave Bird Nest	Handicraft/ Cashew	Small Townscape & Amenity
35 Northern El Nido Coastal Area	Nagpan Beach & beaches on Yocoton/Base/Diapila Bays	Nagkalit-kalit/Malingay WF & Peng & Makalimot HS	Cliff Cave/ Bird Nest		
36 Bacuit Bay and Offshore Islands Area	Miniloc Pangalusian/Malapacao Islands & Cadlao/ Lagen Islands	Island Mountain/Marble Cliff	Cliff Cave/ Bird Nest	Nido Hunting	
4 CALAMIAN ISLANDS TOURISM CLUSTER					
41 Linapacan and Offshore Islands Area	Patuyo/Inapupuan/Cagdanao/Pangaduduan/ Bolena/Oson Island	Elli Cave		Casaledan Spanish Fort	
42 Culion Town and Surrounding Areas	South-east Islands			Church/Shrine	Clean Townscape/ Pearl Farm
43 Western Culion Coral Reef Beach Area	North-west Coast				Pearl Farm
44. Salvacion and Gutob Bay Coral Islands Area	Talampulan,Dabotanay/ Pamalican/Pagtenga/Maltatyoc Coral Reef Islands				Pearl Farm
45. Calauit Island and Southern Coral Coast Area	Calauit/Dimipac/Tanobon Is , Lagoon in the midst of Busuanga Is	Caves/Sunilayan Waterfalls	Calamian Deer		
45 Coron Tourist Town and Surrounding Area	Tangat Island	Makinit Hotspring/Limestone Mountain on Tangat Is			Coron Town, Fish Market
47 Northern Coast and Offshore Coral Islands Area	Dimakya/Diboyoyan/ Malpagalen/Cabilauan/Langawa/ Dinalanta Islands	Concepcion Waterfall	King's Ranch		
48. North-East Coast and Offshore Islands Area	Banung Daan/Banol Beach, Tara Islands	Cayangan Lake		Cyunon Isolated Group	
49. Coron and Southern Islands Area	Coron/Dibatang/Bulalacao Ditaytayan Islands	Limestone Mountain & Forest, & Cabugao/etc Lakes			

Source prepared by Study Team based on various materials

3) Characteristics of Tourism Resources by Tourism Area

The characteristics and potentials of the tourism areas are briefly as follows (refer to Figure 2-19).

(1) PPC Tourism Cluster

PPC Gateway City and Suburban Area (11): Cultural resources in the town and inland natural resources in Iwahig area are impressive. This gateway city provides the best access to foreign countries and to Manila. The area is located atop the peninsula and has development potentials of an urban resort. Redesigned 1,000 ha. of ecological estate from industrial estate can be utilized for multipurpose ecological center or complex as follows:

- Research of marine and terrestrial ecosystems and traditional culture
- Training of researchers, rangers and guides
- Exhibition facility for marine and terrestrial ecosystems
- Museums for anthropology and ethnology
- Cultural Center for traditional performance, and
- Handicraft Center for upgrade/improvement and souvenir shops.

Honda Bay and Offshore Islands Area (12): Marine and scenery resources are major resources in the area. Beach and small island resort development in the area will create a synergy effect with PPC Urban Resort to enhance tourism activities.

St. Paul Subterranean N.P. and Sabang Area (13): The Underground River, as well as its surrounding scenery, is one of the best destination areas eligible of being a natural wonder in the world. Limitation in the capability to sustain tourist activities in the Underground River is a constraint. Diversification of tourism activities in and outside the national park is currently an issue in the area.

PPC South China Sea Coastal Area (14): Impressive resources are not located in the area. The municipal office is proposing a beach resort on Nagtabon and Napsan Beach. However, beach resort development on the coastal areas is no longer suitable, based on the natural rapid current and strong wave action on the coast.

(2) Roxas/San Vicente Tourism Cluster

Tinitian Beach and Berde Islands Area (21): This area has rich inland resources and indigenous minority groups and white sand beaches. Some white sand beaches can be developed to resorts. Inland natural cultural resources will provide opportunities for optional tours.

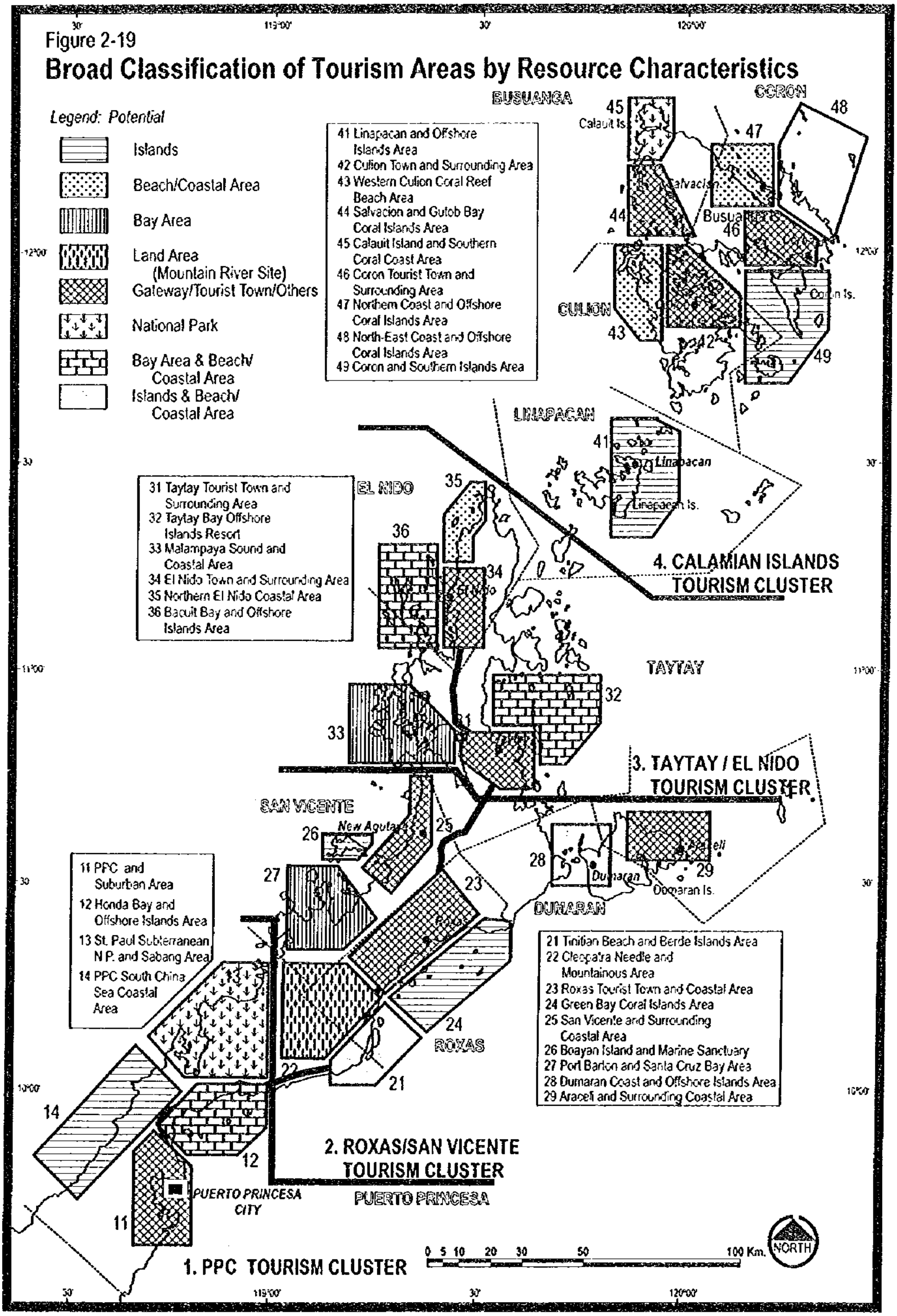


Figure 2-19
Broad Classification of Tourism Areas by Resource Characteristics

Source: Study Team

Cleopatra Needle and Mountainous Area (22): This area has one of the best inland natural resources and indigenous minority groups. The establishment of trekking tour in indigenous cultural and virgin forests will be one of the most impressive ecological tours in the area. Conservation program and utilization system are the tourism-related concerns.

Roxas Tourist Town and Coastal Area (23): This coastal area does not have much impressive tourism resources. Functions of this tourist town are to support tourism development and activities on other tourism areas in the Roxas/San Vicente Tourism Cluster. Roxas town will be the node for sea and land transportation network in this cluster, which will require some accommodation facilities development on the coast. More than half of the accommodation facilities for Green Bay Coral Island will be located on the coast of Roxas, depending on the availability of infrastructure.

Green Bay Coral Islands Area (24): Offshore Green Bay islands has good marine natural resources. Island resort development has been initiated on Reef Island. Development trend and demand will increase by an improvement in accessibility.

San Vicente And Surrounding Coastal Area (25): The longest and largest beach resources are located in the area. However, the original inland and marine natural resources in the area have deteriorated due to illegal logging and fishing activities. Recovery of the original natural condition of these resources and the good sunset view will boost tourism development potentials in the future.

Boyan Island and Marine Sanctuaries (26): The western part of the island has coral reefs; white sand beaches in the northern bay will provide island resort development potentials.

Port Barton and Santa Cruz Bay Areas (27): The condition of marine and inland natural resources in the area is similar to that of San Vicente. A part of Port Barton beach is eroded. Upgrading of development potentials will depend heavily on the massive effort to conserve marine and inland natural environment and to improve infrastructure and transportation network.

Dumaran Coast and Offshore Islands Area (28) : Almost all of the original and secondary forests in the area have been cut. Coral reef areas inland and around the isle are damaged by siltation and illegal activities. Tourism development in the area will be rather difficult than other areas.

Araceli and Surrounding Coastal Area (29): Good coral reef are found on the north-east coast. However, sand beaches for resort development are not available. Most of the original and secondary forests have been cut. In this area, only coral reef resources will be utilized for scuba diving.

(3) Taytay/El Nido Tourism Cluster

Taytay Tourist Town and Surrounding Area (31) : Impressive and attractive resources are not so much observed in the area. This tourist town will support tourism development and activities in the other tourism areas in the El Nido/Taytay Tourism Cluster. Taytay town will be serve as the transportation node in this cluster, which will require more accommodation facilities along its coast. Also, supporting accommodation functions for the offshore islands will be required in the center of town, which will depend mainly on available infrastructure.

Taytay Bay Offshore Islands Area (32) : This area has better potential marine and scenery resources for island resort development. However, the western half of the bay area is covered by silt, and their original coral reef ecosystem has been changed to other sea grass ecosystem. Opportunities and potentials for major beach resort development on the main island coast cannot be found.

Malampaya Sound and Coastal Area (33): Malampaya Sound is called the fishbowl of the Philippines. The area has rich fish and other marine resources, although deteriorating mangrove forest is seen along the bay. Nonetheless, the area has the potential for marine sports, fishing, and daytime sightseeing cruise.

El Nido Town and Surrounding Area (34) : This area has one of the best scenery and good marine and inland natural resources. These resources will provide the potential for beach resort development on the northern long white sand beaches. This area serves as a suitable base of marine recreational activities, tourist spots, cruising and sailing. An offshore continental shelf 25 km from the area will provide opportunities for big game fishing.

Northern El Nido Coastal Area (35): This area has one of the best scenery and inland and marine resources which provide opportunities for new beach resort development. This development shall depend on the improvement of the access road from El Nido town.

Bacuit Bay and Offshore Islands Area (36): This area has been developed to be one of the famous island resorts in the study area. The islands offer potential for other island resort development. However, Bacuit bay has been designated to be a Marine Reserve, and more than half of the islands in the bay area are also designated to comprise the core of the reserve. Marine and island resources are designated to be the core, which will be utilized as an attractive daytime tourism activity spot along with island hopping and cruising.

(4) Calamian Islands Tourism Cluster

Linapacan and Offshore Island Area (41) : Offshore islands have good coral, narrow sand beaches and other natural marine resources. This area has the potential to be developed as a small island resort in the future.

Culion Town and Surrounding Area (42) : The townscape and some facilities have a rich history. Many sites of sunken Japanese ships during World War II are found in the sea between Busuanga Island. These resources will serve as attraction for daytime tourism activities/spots.

Western Culion Coral Reef Beach Area (43) : This area offers the best beach resort development potential, having one of the best coral reef/long white sandy beach and beautiful scenery and sunset views. Offshore continental shelf 25 km. from the area will provide opportunities for big game fishing.

Salvacion and Gutob Bay Coral Islands Area (44) : Offshore islands have good potential for small island resort development, anchored on having one of the best scenery resources, good marine natural resources and sites of a wrecked Japanese ship during the World War II. Salvacion town has supporting function as a small island resort.

Calauit Island and Southern Coral Coast Area (45) : Rich marine natural resources and scenery resources are the most impressive tourism resources in the area. These resources create great potential for the area to be one of the most beautiful and resource-endowed beach resorts in Asia. Dugong, sea turtle and African mammals will provide unique and interesting attractions for tourists. Offshore island provide good island hopping and cruising opportunity, while offshore continental shelf provide attractive big game fishing opportunities. How to balance environmental conservation of the beach (as sea turtle nesting place) and utilization for tourism has to be resolved.

Coron Tourist Town and Surrounding Area (46) : The town of Coron is the administrative, socioeconomic and transportation center of Calamian group of islands. Manpower resources and social infrastructure are concentrated in the town. Coron Town should take tourist town functions to support tourism development activities in the Calamian Islands Tourism Block. Some of the urban amenities surrounding the port area and a hot spring are attractive resources in the area.

Northern Coast and Offshore Coral Islands Area (47) : Northern island has rich potential for island resort development, of similar type as Club Paradise on Dimakya Island. Major resources in the area are rich coral reef, white sand beaches on the islands, wreck points and good scenery resources.

North-East Coast and Offshore Coral Islands Area (48) : North-east coast has beach resort development potential and coral reef islands will provide attractive marine sports and recreational opportunities. Tara Island and surrounding islands are proposed to be the ancestral domain for an isolated Cuyonin minority group. Their traditional culture will be one of the cultural tourism resources in the area.

Coron and Southern Islands Area (49): Coron Island has an impressive and unique shape of limestone mountain and lakes, whose geographic feature provide the richest inland natural and scenery resources in the study area. The natural environment and other resources create one of the typical pristine ecosystems which will be proposed as conservation area. Southern islands are proposed for island resort development by the municipal office. Major tourism resources in the area include a rich coral reef and other marine natural resources and scenery.

4) Summary of Tourism Resource Characteristics

Characteristics of tourism resources in Northern Palawan can be further summarized as follows:

(a) Northern Palawan's tourism resources are characterized by rich terrestrial, marine and cultural environments which provide ample opportunities for sightseeing, beach holiday, marine sport, adventure, etc. as confirmed also by the tourism market survey conducted by the Study Team.

(b) Northern Palawan has a number of world class tourism resources, such as the underground river in St. Paul National Park, karst terrain and lakes in Coron Island, etc.

(c) In general, the southern part (Puerto Princesa and adjoining areas) is rich with superior terrestrial tourism resources, while the northern part (mainland north and Calamian Islands), with marine resources, although varied tourism resources such as white sand coral beaches, emerald-green-colored coral reef, uniquely-shaped limestone/marble islands and mountains, hot springs, waterfalls, historical and cultural sites, etc. are wildly distributed over Northern Palawan.

2.5.4 Tourism Demand

1) Overall Market Characteristics

(1) Domestic Market

The number of domestic visitor arrivals in registered commercial tourist establishments throughout the country was estimated to be almost two million in 1989. The main generator of domestic travel were the National Capital Region (NCR) with 38%, and other major regional centers of the Philippines such as Cebu, Davao and Zamboanga. The major purpose of domestic travel was business (35%), convention or seminar (16%), and vacation (26%). The main domestic market segments are business travelers, participants in conference and product exhibitions, those on holiday vacation and others including those visiting friends and relatives. The average length of stay was 3.8 nights and average expenditure was US$82 or ₱1,804 in 1989 as reflected in the 1991 Tourism Master Plan which was prepared with the assistance of the World Trade Organization.

As shown in Table 2-34, the total number of domestic travelers who did not use commercial accommodations but only stayed with friends and relatives comprised 60% of the total visitors. From this view, data concerning domestic tourism is not clear to a certain extent and may therefore reflect the inaccuracy of data collected. However, the distribution of domestic tourists according to the three identified tourism clusters namely Luzon, Visayas and Mindanao Clusters were 53%, 23% and 24%, respectively.

The proportion of domestic tourists whose main purpose of travel is pleasure and vacation can be assumed to be 26% of the total domestic travelers or 1,275,000 in the Philippines and 681,200 in the Luzon Cluster in 1989.

Table 2-34 Distribution of Domestic Tourists in 1989

National Tourism Cluster	Visitors using commercial accommodations		Visitors not using commercial accommodations		Total	
	000	%	000	%	000	%
Luzon	1,000	51	1,620	55	2,620	53
Visayas	490	25	647	22	1,137	23
Mindanao	470	24	677	23	1,147	24
Total	1,960	100	2,944	100	4,904	100

Source: 1991 Tourism Master Plan, UNDP/WTO

(2) Foreign Market

i) <u>Number of Arrivals</u>: The average annual growth rate of foreign tourist arrivals during the last five years from 1990-1995 was 11.3% per annum on the average, as shown in Table 2-35. This is considered to be high when compared with the previous five years, from 1985-1990, which showed only a 5.8%. The average growth between 1985-1995 or during the past ten years was 8.5% which is much higher than the GDP growth for the same period.

Table 2-35 Trend of Foreign Visitor Arrivals (1985-1995)

Country	000 visitors			% Composition			Growth Rate (%/Year)		
	1985	1990	1995	1985	1990	1995	85-90	90-95	85-90
• ASEAN	49	47	93	6.4	4.7	5.3	-0.7	14.2	6.5
• East Asia	251	366	751	32.5	35.6	42.8	7.8	15.5	11.5
• South Asia	9	6	21	1.3	0.6	1.2	-8.2	26.4	7.7
• North America	177	225	388	22.9	21.9	22.1	4.8	11.6	8.1
• Oceania	50	51	85	6.6	5.0	4.9	0.1	10.8	5.3
• Europe	79	112	229	10.2	10.9	13.1	7.2	15.4	11.2
• Middle East	14	13	20	1.7	1.3	1.2	-0.6	9.1	4.1
• Others	74	73	17	9.6	7.1	1.0	-0.4	-25.5	-13.9
• Overseas Filipinos	66	131	150	8.6	12.7	8.5	14.5	2.8	8.5
Total	775	1,027	1,756	100.0	100.0	100.0	5.8	11.3	8.5

Source: Annual Statistical Report, DOT

The USA maintained its top position, followed by Japan, Hong Kong and Taiwan in second, third and fourth places, respectively. Taiwan rose in rank from fourth place in 1985 to third place in 1995. Korea jumped from tenth to fourth place. Hong Kong declined in rank from third to fifth. The United Kingdom maintained its rank at sixth place. Germany declined in rank from fifth to seventh place. Canada maintained its No. 8 ranking. Malaysia remained in the ninth place while Singapore declined in rank from seventh to tenth place during the past ten years. As such, there has been a significant increase in the share of Korea, Taiwan and Hong Kong markets and this trend is projected to continue in the future (refer to Table 2-36).

Table 2-36 Visitor Arrivals in the Philippines by Major Market

	1985				1990				1995			
	No.	85/90 %/Yr.	% to Total	Rank	No.	90/95 %/Yr.	% to Total	Rank	No.	85/95 %/Yr.	% to Total	Rank
East Asia	251,759	7.8	32.6	1	365,88	15.5	35.7	1	750,938	11.5	42.7	1
• Japan	152,771	5.7	19.8	2	201,98	9.9	19.7	2	323,199	7.8	18.4	2
• Hong Kong	52,407	6.1	6.8	3	70,62	8.7	6.9	3	107,151	7.4	6.1	5
• Korea	10,873	27.4	1.4	10	36,53	27.2	3.6	5	121,559	27 3	6.9	4
• Taiwan	35,708	9.7	4.6	4	56,74	27.4	5.5	4	190,423	18 2	10.8	3
• China (PROC)	0	0.0	0.0			0.0	0.0		8,606	0.0	0 5	
ASEAN	49,454	-0.7	6.4	IV	47,75	14.2	4.7	IV	92,965	6.5	5.3	4
• Singapore	17,271	2 3	2 2	7	19,33	7 2	1.9	9	27,327	4.7	1 6	10
• Malaysia	14,525	-4.1	1.9	9	11,80	24 2	1 2	10	34,963	9.2	2 0	9
• Thailand	9,602	-1.8	1.2	11	8,76	10.1	0.9	13	14,185	4.0	0.8	13
• Indonesia	5,916	0.9	0.8	14	6,19	15.5	0 6	15	12,723	8.0	0.7	15
• Brunei	2,140	-5.0	0.3	16	1,66	9.4	0 2	16	2,607	2 0	0 1	16
• Vietnam	0	0.0	0.0			0.0	0.0		1,160	0.0	0.1	
Asia Total	301,213	6.5	39.0		413,64	15.3	40.4		843,903	10.9	47.9	
North America	177,525	4.8	23.0	II	224,51	11.6	21.9	II	387,914	8.1	22.0	2
• U.S.A.	162,320	4.7	21.0	1	203,94	10.9	19.9	1	342,189	7.7	19.4	1
• Canada	15,205	6.2	2.0	8	20,56	17.3	2.0	8	45,725	11.6	2 6	8
Europe	79,096	7.2	10.2	III	112,08	15.4	10.9	III	229,344	11.2	13.0	3
• United Kingdom	19,679	11.2	2 5	6	33,47	16.1	3.3	6	70,591	13.6	4.0	6
• Germany	22,110	4.0	2.9	5	26,91	13.5	2 6	7	50,766	8.7	2.9	7
• France	7,714	5.8	1.0	13	10,20	12 1	1 0	12	18,044	8.9	1.0	11
• Italy	5,463	9.3	0.7	15	8,51	8.4	0.8	14	12,745	8.8	0.7	14
• Switzerland	9,512	1.8	1.2	12	10,38	7.2	1.0	11	14,727	4.5	0.8	12
• Others	14,618	9.1	1.9		22,59	22.6	2 2		62,471	15.6	3.5	
World Total	773,074	5.8	100.0		1,024,52	11.4	100.0		1,760,163	8.6	100.0	

Source: Annual Statistical Report, DOT

ii) Purpose of Visit: The main purpose of foreign tourists in visiting the Philippines is for "Pleasure/Vacation." This accounted for almost 40% in 1994 and 1995. Business travelers made up almost 30% of foreign tourists in both years. Foreign tourists who come to the Philippines "to meet Friends and Relatives" accounted for almost 20%. The rest, or 10%, came here for other purposes such as "to attend conventions, etc." In 1991, when the Tourism Master Plan was prepared, "Pleasure and Vacation" accounted for around 75%, and business travelers accounted for only 15%. In 1995, 704,000 tourists came here for pleasure/vacation while there were 713,000 tourists in 1991 for the same purpose. This means that despite the significant decrease in the visits for pleasure and vacation purposes, the absolute number of tourists whose purpose is pleasure and vacation has not changed that much.

Main motivation in choosing the Philippines as a place to visit was determined from the Annual Visitor Sample Survey conducted by the Department of Tourism. Warm, friendly people is the single largest motivation. "Natural Beauty," "Beautiful Beaches," and "Opportunity for Sports" rank far behind in the motivation for choosing the Philippines as tourist destination at the national level. However, based on the 1994 AVSS, "Beach Holiday" is ranked fourth, with a 13.3% share, as the main purpose of visit of foreign tourists. Next is "Sightseeing" (22.0%), "Business Meeting" (17.9%) and "Friends and Relatives" (17.8%). The share of this item will increase as tourism developments in Visayas and Palawan take place (refer to Table 2-37).

Table 2-37 Main Motivation in Choosing the Philippines as a Tourist Destination

%

Motivation	1989	1990	1991	1992	1993	1994	1995
To visit friends/relatives	23.4	-	12.1	14.5	16.9	16.1	13.8
Natural beauty/scenic attractions	14.7	-	19.3	11.1	-	-	-
Warm/friendly people	13.3	-	3.9	-	40.6	58.9	57.8
Never been to the Philippines	6.8	-	7.5	10.2	5.6	2.1	1.1
Inexpensive to spend a holiday	5.8	-	3.9	-	-	0.3	0.1
Attractive beaches	5.7	-	5.5	6.9	-	0.3	0.1
Proximity to own country	-	-	6.4	-	-	-	-
Have been to the Philippines Before	-	-	-	6.1	-	1.5	1.0
Recommended by friends	-	-	-	7.7	-	-	-
Beautiful women	-	-	-	-	13.5	12.3	10.0
Interesting night-life	-	-	-	-	3.6	-	2.2
Choice of company	-	-	-	-	-	0.7	2.3
Opportunities for sports/ Adventure	-	-	-	-	-	0.3	0.2

Source: Annual Statistical Report, Department of Tourism, 1989-1995

iii) Main Activities Undertaken by Tourists: The main activities undertaken by tourists are shown in Table 2-38 below. The major activities indicated are shopping and sightseeing. The variety of activities have been expanding which are mostly related to marine sports.

Table 2-38 Main Activities Undertaken in the Philippines

%

Activities	1989	1990	1991	1992	1993	1994	1995
Shopping	68.6	n.a.	67.1	67.7	63.8	55.1	46.3
Sightseeing	59.2	n.a.	66.9	55.5	35.2	26.4	17.2
Went to disco/nightclubs	38.3	n.a.	36.1	-	-	-	-
Beach/surfing/water skiing	22.0	n.a.	24.3	25.5	15.6	10.1	6.1
Sports/scuba diving	-	n.a.	-	4.5	2.7	3.2	2.4
Investment opportunity	-	n.a.	-	-	-	0.7	1.4
Honeymoon	-	n.a.	-	-	-	0.3	0.3

Source: Annual Statistical Report, 1989-1995, DOT

iv) Main Places Visited: Based on the 1994 Annual Visitor Sample Survey, about 39.4% of total tourist traffic is accounted for by Metro Manila and the rest, 60.6%, by areas outside Metro Manila. Concentration of tourists in Manila is regarded as a peculiar characteristic of the Philippines as a tourist destination. Tourist destinations outside Manila, however, have not been fully developed, except Cebu. It is noteworthy that the share of Cebu has been increasing steadily. The average share of Palawan is around 2.5% and its share in the past seven years has been relatively constant . It is estimated that almost 30% of the total foreign tourists remained in Metro Manila and the rest or 70% of visits were outside Metro Manila. Therefore, the share of tourists who visited Palawan to total foreign tourists is estimated to be around 2.0%.

v) Repeat Visit: Repeat visit to the Philippines is quite high, being 47% in 1994 and 46% in 1993, to which visitors from Japan, USA, and Germany contributed. The first timer shared 33% of the total traffic. Visitors from Taiwan and Korea were predominately first-timers. The reason for the higher rate of repeat visit relates to the composition of visitors from Japan, USA and Germany as mentioned above.

2) Characteristics of Northern Palawan Tourism Demand

The visitor survey in Northern Palawan was carried out by the Study Team in cooperation with DOT from the end of February to the beginning of March 1996. The results of this survey are summarized in Table 2-39 and outlined as follows:

Table 2-39 Main Places Visited in the Philippines Outside Metro Manila

%

Destination	1989	1990	1991	1992	1993	1994	1995
LUZON							
La Union	3.6	3.5	2.5	-	-	-	-
Baguio	24.2	14.5	8.3	5.7	6.2	11.4	9.8
Banaue	4.0	2.5	3.0	-	-	-	2.3
Pangasinan	4.4	3.7	4.0	4.7	-	-	-
Olongapo City	5.6	3.8	4.8	-	-	-	0.2
Angeles City	5.1	4.3	4.7	-	-	-	-
Pampanga	2.4	2.8	2.7	-	-	-	0.1
Pagsanjan	16.0	10.6	9.3	-	4.7	5.1	14.6
Los Baños	2.7	3.5	3.0	-	1.8	-	-
Ternate	4.7	3.7	6.9	-	-	-	-
Tagaytay	6.5	5.3	5.7	-	5.8	-	13.6
Batangas	6.7	6.7	6.9	-	4.2	10.4	7.7
Puerto Galera	3.7	4.2	4.4	3.7	2.7	2.3	2.7
Palawan	2.0	2.7	3.3	2.5	1.6	2.1	3.0
VISAYAS							
Boracay/Aklan	6.6	7.2	6.8	7.4	2.2	4.7	2.6
Iloilo	3.0	3.2	3.3	-	-	2.5	2.3
Cebu City	19.9	21.3	18.8	13.0	11.7	24.9	19.9
MINDANAO							
Davao	2.4	3.3	3.7	-	2.2	3.8	4.2

Source: Annual Statistical Report, 1989-1995, DOT

Gender: The ratio of male to female visitors was almost 2:1, on the average. In the case of foreign tourists, males constituted 68% while females comprised 32%. In the case of the Japanese, the ratio was 38% and 68%, respectively, in contrast to the average ratio for foreign tourists.

Age: The average age of tourists to Palawan is 34.4 years. In the case of foreign tourists, the age between 26-35 is dominant, sharing 44% of the total. While the tourists of this age group of Japan, Asia and Europe share 50% to 56%, those of USA and Oceania (Australia) are 24% and 33%, respectively. Asian and European tourists come from a younger age group than that of USA and Australia

Civil Status: Among foreign tourists, the share of married people was slightly less than single people. In the case of domestic tourists, married people shared almost 60% as compared to the single people(40%). The share of single people among European tourists was as high as 70%.

Level of Education: Around 65% or majority of the total number of tourists have high educational attainment. They accounted for 60% of foreign tourists and 76% of domestic tourists. The share of level of education seems to directly relate to the share of occupation.

Table 2-40 Profile of Tourists to Northern Palawan in Comparison to Tourists to the Philippines[1/]

Item	Unit	Foreign Tourists by Country						Domestic Tourists
		USA	Japan	Asia	Europe	Others	Total	
Survey Sample	No.	21 (1,148)	24 (1,586)	29 (1,872)	135 (560)	22 (869)	231 (6,035)	90
	%	9 (19)	10 (26)	13 (31)	58 (9)	10 (14)	100 (100)	100
Gender: %	Female	38 (20)	62 (10)	25 (20)	50 (15)	50 (15)	33 (15)	37
	Male	62 (80)	38 (90)	75 (80)	50 (85)	50 (85)	67 (85)	63
Age: %	16-25	24 (5)	13 (10)	10 (7)	13 (6)	0 (11)	15 (47)	18
	26-35	24 (22)	50 (27)	56 (31)	52 (33)	33 (26)	44 (28)	38
	36-45	19 (30)	21 (29)	23 (32)	21 (29)	33 (28)	24 (30)	26
	45 above	33 (43)	16 (34)	11 (30)	14 (32)	34 (35)	17 (35)	18
Civil Status: %	Single	47 (34)	54 (32)	27 (27)	40 (42)	17 (35)	55 (33)	40
	Married	53 (66)	46 (68)	73 (73)	60 (58)	83 (65)	45 (67)	60
Education: %	High	945 (82)	83 (89)	90 (73)	59 (75)	50 (69)	69 (76)	95
	Mid-Low	65 (18)	17 (11)	10 (27)	41 (25)	50 (31)	31 (24)	5
Occupation: %	Professional/Mgr.	43 (40)	8 (22)	66 (27)	37 (40)	17 (37)	37 (29)	32
	Company Staff	5 (24)	46 (28)	7 (47)	16 (16)	33 (20)	18 (28)	23
	Government	5 (1)	17 (1)	4 (1)	8 (1)	17 (4)	12 (1)	21
	Student	5 (3)	4 (2)	0 (4)	7 (3)	0 (1)	6 (3)	0
	Retiree/Pensioner	15 (5)	0 (1)	0 (2)	3 (2)	17 (17)	4 (2)	0
	Others	27 (27)	25 (46)	23 (14)	29 (38)	16 (12)	26 (37)	24
Ave. Length of Stay: Days		5.2 (12.7)	4.9 (6.6)	5.4 (7.8)	11.3 (12.4)	10.7 (11.5)	5.5 (9.2)	4.5
Travel Type: %	Package	14 (1)	387 (21)	31 (32)	0 (3)	25 (7)	14 (13)	41
	Own	86 (99)	623 (79)	69 (68)	100 (97)	75 (93)	86 (87)	59
Ave. Income per Year: US$1,000/yr.		37 (63)	75 (74)	51 (48)	47 (53)	35 (51)	40 (61)	18
Travel Expen. : US$	Prepaid[3/]	1,511(1,075)	1,785 (898)	1,353(1,092)	1,827 (948)	1,108(1,250)	1,666(1,256)	549
	Local	306(1,651)	844 (1,544)	705(1,146)	985 (1,016)	500(1,610)	837(1,401)	234
	Total	1,817(2,726)	2,629 (2,442)	2,058(2,238)	2,812 (1,964)	1,608(2,860)	2,483(2,,449)	783
Travel Group Size: persons		2.1	2.7	3.5	2.5	2.0	2.7	12.5
Purpose of Trip: %[2/]	Pleasure/Vacation	48 (25)	100 (64)	97 (20)	100 (42)	83 (36)	76 (43)	37
	Business	10 (32)	0 (17)	3 (50)	0 (27)	0 (24)	8 (29)	23
	Friends/Relatives	24 (32)	0 (8)	0 (10)	0 (21)	17 (27)	5 (16)	2
	Convention/ Mission	5 (6)	0 (2)	0 (14)	0 (3)	0 (3)	8 (4)	12
	Others	10 (9)	4 (9)	4 (5)	2 (5)	0 (9)	2 (7)	2
Specific Purpose of Pleasure Trip: %[2/]	Beach Holiday	40 (9)	74 (74)	11 (70)	68 (22)	80 (22)	64 (14)	40
	Sightseeing	50 (10)	17 (74)	44 (33)	47 (14)	40 (9)	43 (23)	46
	Sports	10 (9)	13 (17)	4 (11)	22 (1)	20 (1)	17 (2)	6
	Others	10 (3)	4 (4)	1 (8)	3 (5)	20 (4)	14 (4)	3

Source: (1) Annual Visitor Sample Survey 1995, Dept. of Tourism
(2) Supplemental Survey 1996, JICA Study Team

[1/] figures in parentheses indicate tourists to the Philippines
[2/] based on multiple answers
[3/] prepaid amount of the Philippine tourists (figures in parenthesis) do not include air fare while that of Northern Palawan is included

Occupation: The major occupation of both foreign (27%) and domestic (20%) tourists was in the "Professional" category. However, it was different in the case of Japan. The "Professional" category accounted for only 4% while "Company Staff" was the dominant occupation at 46%. The "Professional" occupation garnered a higher income level but this was not the case for Japan.

Annual Income Level: The average annual income of all tourists was US$27,521. The average income level of the domestic tourist was US$11,652 who belong to the highest income group in the Philippines. The average income of foreign tourists is US$40,604. Majority of the Japanese tourists chose high class accommodations, in contrast to European tourists.

Purpose of Travel: Pleasure/vacation/holiday travelers comprised the largest group accounting for 76% of the total. In the case of foreign tourists, it was 88% and a mere 2% was for business purposes. On the other hand, the respective shares of domestic tourists were 37% and 23%.

Specific Purpose of Travel: "Beach Holiday" shared 64% of the total, comprising 68% for foreign tourists and 40% for domestic tourists. Around 68% to 80% of foreign tourists had beach holiday as their specific purpose in coming to the Philippines, except for the USA whose share was 40%. Palawan is regarded basically as a beach holiday destination both by foreign tourists and domestic tourists.

Main Reason for Choosing Palawan: 58% of tourists were attracted by Palawan's natural resources and scenery; and cited the same as their primary reason in choosing the place as a travel destination. Other reasons cited by foreign tourists were adventure (20%) and sports (16%).

Activities Engaged in during Travel to Palawan: The main activity engaged in by foreign tourists was snorkeling (60%), followed by sightseeing (55%), island hopping (44%), scuba diving (42%), hiking (34%) and nature tours (21%). Among domestic travelers, sightseeing was the foremost activity they engaged in during their travel.

Source of Information: Among foreign tourists, almost 50% indicated that their friends and relatives were their main source of information. This is higher than those who obtained information through travel publications (34%).

Travel Arrangement: Most of the travellers, around 80%, arranged their trips on their own, while only 20% availed themselves of package tours. The average size of a tour party is three persons. For almost 70% of foreign tourists, size per party was from two to five persons.

Pre-paid Travel Cost: An almost equal number, 51% and 49%, respectively, paid the initial travel costs in their country of origin vis-a-vis those who did not pay initial travel costs. Foreign tourists paid an average amount of US$1,655. The pre-paid travel cost for Palawan is almost double that paid by Japanese tourists for their trip to Guam.

Amount Spent in Palawan: An average of US$629 was spent on top of the price for package tours. On the average, those who did not avail of package tours paid for the following: transportation (US$245), hotel and accommodation (US$313), food and beverages (US$153), optional tours (US$227), shopping (US$110) and souvenirs (US$120). This means that US$1,168 was spent, on the average, on travel to Palawan.

Total Travel Expenses: Foreign tourists indicated that they spent an average of US$1,796 for travel expenses. This amount can be broken down as follows: transportation expenses (US$667), hotel and accommodations (US$490), food and beverages (US$257), shopping (US$152), souvenirs (US$85) and others (US$145).

Length of Stay: The average length of stay of tourists was 5.5 nights. On the average, foreign tourists stayed for 6.5 nights while domestic tourists stayed for 4.5 nights. The average length of stay was adjusted by the Study Team by eliminating from the base data respondents who stayed an extraordinary long stay time in Palawan.

Souvenirs and Shopping Items: The most popular souvenir and shopping items purchased by foreign tourists were clothes (42%), handicrafts (33%) and native food and delicacies (9%). In the case of domestic tourists, these were clothes (48%), native foods and delicacies (21%) and handicrafts (15%).

As outlined in the above market segmentation process, the following characteristics for Northern Palawan were identified:

(a) Northern Palawan is endowed with a variety of tourism products. However, its most important and rich resources are its beaches and other marine sports- related resources. Cited as the major purpose in visiting Palawan is "Pleasure and Vacation," of which the main activities are beach holiday, sightseeing and marine sports, in particular.

(b) Majority of the foreign tourists who choose Palawan as their destination are the young and early middle age groups who have comparatively high disposable incomes.

(c) The cost of travel is rather high compared with the costs incurred in travelling to cheap and very popular destinations. However, tourists who choose Palawan as their destination deem the costs to be reasonable.

Palawan is being eyed by foreign tourists as a niche or special interest destination due to the peculiar condition of its unspoiled environment.

(d) The difference in quality and in price of accommodations is quite significant among existing accommodations. Thus, there is a wide range of accommodations to choose from although capacity at present is quite limited for all types of accommodations.

(e) The rich environments, especially marine environment including the conditions of corals, are attractive not only to foreign tourists but also to domestic tourists.

(f) There are a lot of untapped tourism resources scattered all over Palawan, especially in the islands off northern Palawan. Based on such untapped and unspoiled natural resources, it is acknowledged that the the northern part of Palawan has great potential for tourism development.

(g) Since there is limited access to the destination, transportation cost is high. Nonetheless, tourists are attracted by the nature-oriented tourism products of Palawan.

(h) Amidst the rapidly expanding or emerging East Asia tourism region, the products offered by Palawan have great potential in drawing specific market segments once the traditional beach resorts in Asia or in the Pacific stagnate.

3) Tourism Demand Forecast

(1) Methodology

Two approaches in forecasting tourism demand were adopted. One approach is to forecast tourism demand in Palawan based on the growth trend of the Asian tourism region and to determine the potential share of Palawan. The other is to forecast tourism demand using market segmentation or demographic segmentation focusing, in particular, on the purpose of travel. The master plan for the Philippines, which sets target tourist arrivals in the year 2010, was prepared way back in 1991. However, this was further reviewed prior to determining the particular tourism demand of Palawan.

(2) Projection of Tourist Arrivals in the Philippines

Number of tourist arrivals and their share to the world total in Low, Medium and High Cases have been projected (refer to Table 2-41). Projected foreign tourist arrivals in the Philippines in the year 2010 for the medium case is 5.4 million which incidentally is the same figure projected in the 1991 Philippine Tourism Master Plan.

For the period 1995-2000, the average annual growth rates of tourist arrivals in the Philippines is projected to range from 10.0% to 12.0% for Low, Medium and High Cases. The expected average annual growth rate of the same in East Asia and the Pacific region is 6.8%. Worldwide, tourist arrivals are projected to grow by 3.8%. Assuming that these growth rates are applied to the Philippines, tourist arrivals are expected to rise from 2.7 million to 3.1 million while worldwide tourist arrivals are projected to reach 661 million by the year 2000. The first decade of the twenty-first century will see a growth of 6.0% in the number of tourists for the low case and 9.5% per annum for the high case. As anticipated, this will lead to about 4.4 million or 6.8 million arrivals by 2010. Meanwhile, worldwide tourist arrivals are projected to reach 937 million. The number of international tourist arrivals in the Philippines will thus have expanded three times to four and half times between 1995 and 2010.

(3) Projection of Tourist Arrivals to Northern Palawan

<u>International Tourist Arrivals</u>: Tourist arrivals to Northern Palawan has been estimated on the basis of its share to the county which is expected to increase in the future considering that the Northern Palawan's tourism resource would needs of the market and infrastructure will be further improved. Travel purposes of tourists have been also analyzed by major market (refer to Table 2.4.2). Of the total number of foreign tourists expected in 2010, these from Asia would share 55% followed by Europe (20%) and USA(17%). Japan will be the largest single country for Northern Palawan. Sightseeing and beach holiday will share the highest of 72%, while sports/adventure 8%. Business and convention may become a more important purpose in the future.

Table 2-41 Forecast of Tourist Arrivals in the Philippines, 2000 and 2010

Case	Market by Region	1995		2000		2010	
		'000	%	'000	%	'000	%
	E. Asia/Pacific	924	52.5	1,482	54.0	2,436	54.8
L	North America	388	22.0	655	23.8	1,121	25.2
O	Europe	203	11.5	337	12.3	585	13.2
W	Others	95	5.4	99	3.6	104	2.3
	Overseas Filipinos	150	8.5	171	9.8	196	4.4
	World Total	1,760	100.0	2,744	100.0	4,441	100.0
M	E. Asia/Pacific	924	52.5	1,626	55.4	3,025	56.5
E	North America	388	22.0	674	22.3	1,305	24.4
D	Europe	203	11.5	366	12.5	714	13.3
I	Others	95	5.4	99	3.4	105	2.0
U	Overseas Filipinos	150	8.5	171	5.8	201	3.8
M							
	World Total	1,760	100.0	2,937	100.0	5,350	100.0
	E. Asia/Pacific	924	52.5	1,626	55.8	3,971	58.3
H	North America	388	22.0	674	22.3	1,587	23.3
I	Europe	203	11.5	378	12.5	877	12.9
G	Others	95	5.4	103	3.4	116	1.7
H	Overseas Filipinos	150	8.5	184	6.0	254	3.8
	World Total	1,760	100.0	3,025	100.0	6,806	100.0

Source: Study Team

Table 2-42 Northern Palawan Tourism Demand Forecast by Country and Purpose, 2010

Purpose	Foreign Tourists by Nationality: 000 (%)						Domestic Tourists
	USA	Japan	Asia	Europe	Others	Total	
Pleasure	30 (71)	48 (88)	72 (87)	43 (86)	16 (80)	209 (84)	84 (56)
Sightseeing	11 (25)	15 (28)	19 (23)	17 (34)	7 (35)	69 (28)	30 (20)
Beach Holiday	15 (36)	25 (45)	45 (54)	20 (40)	7 (35)	111 (44)	32 (21)
Sports/Adv.	2 (5)	6 (10)	4 (5)	5 (10)	2 (10)	19 (8)	15 (10)
Others	2 (5)	3 (5)	4 (5)	1 (2)	1 (5)	11 (4)	8 (5)
Business	4 (10)	3 (5)	4 (5)	3 (5)	1 (5)	15 (6)	45 (30)
Visit friend/relative	4 (10)	0 (0)	0 (0)	1 (2)	2 (10)	7 (3)	3 (2)
Convention	2 (4)	2 (4)	4 (5)	2 (4)	1 (5)	11 (4)	11 (7)
Others	2 (5)	2 (3)	3 (3)	2 (3)	2 (10)	8 (3)	8 (5)
Total	43 (100)	55 (100)	83 (100)	50 (100)	20 (100)	250 (100)	150 (100)
	(17) -	(22) -	(33) -	(20) -	(8) -	(100) -	- -

Source: Study Team

(2) Projection of Tourist Arrivals to Palawan

<u>Domestic Tourist Arrivals:</u> Projection of domestic tourist arrivals in Palawan takes into account relative annual growth rates of economic production such as GRDP for the first five years and the rate of natural increase foreseen. Projection for the Medium Case takes into account target growth of GRDP in Region IV (8.5%) where most of the domestic tourists to Palawan are expected to come from. The projected GRDP of Region IV is based on NEDA's projection as laid out in its prospective economic plan of the Philippines. As for the Low Case, the projected growth of 6.0% in GRDP of the Philippines is applied. Beyond year 2000 to 2010, a much higher growth rate is applied for all respective cases taking into consideration the tourism facilities or accommodations that will become available to both foreign and domestic tourists. Cebu's experience of double-digit growth in domestic tourist arrivals, at more than 20% per annum, was used to determine the rate of growth for the respective cases in Palawan. Accordingly, it is estimated that the number of domestic tourists to be applied to planning purposes is 150,000 in year 2010. (refer to Table 2-41 and 2-42).

Table 2-43 Projection of Domestic Tourist Arrivals to Palawan

Year	Low Case		Medium Case		High Case	
	No.	Growth % /Yr.	No.	Growth Rate/Yr.	No.	Growth % Yr.
1995	27,000	-	27,000	-	27,000	
2000	36,000	6.0	40,000	8.5	40,000	8.5
2005	54,000	8.5	70,000	12.0	80,000	15.0
2010	96,000	12.0	150,000	16.5	200,000	20.0

Source: Study Team

2.5.5 Tourism Development Potentials

1) Availability and Quality of Tourism Resources

Existing and potential tourism resources have been further assessed to identify development areas and to assess development potentials.

(1) Criteria for Assessment

The criteria used in the assessment are as follows:

a) Marine Natural Tourism Resources: The potential of marine natural resource components could be assessed and evaluated based on the following:

(i) Suitability for recreational activities: beach activities, cruise on glass bottom boat, island hopping, mangrove cruise, etc.

(ii) Suitability for sports activities: snorkeling, scuba diving, wind surfing (surfing), sailing, game fishing, and base for marine sports.

b) Inland Natural Tourism Resources: Inland natural tourism resources have been assessed on suitability for:

(i) Sightseeing for cave/mountain, river and mangrove cruise, and
(ii) Trek/climbing: mountain forest, bird watching, etc.

c) Scenery Resources: Scenery largely depends on the existence of inland natural resources. Therefore, high potential scenery resource areas are considered as high potential areas for inland natural resources.

d) Cultural Resources: Richness in cultural resources can be assessed by the presence of indigenous minority groups in the area, archaeological findings, and traditional culture.

(2) Results of the Assessment and Identified High Potential Areas

The results of the assessment of tourism resources are summarized in Figure 2-20, Figure 2-21, Figure 2-22 and Figure 2-23 for marine natural resources, inland natural resources, scenery resources and cultural resources, respectively. Tourism areas with high quality resources are as follows:

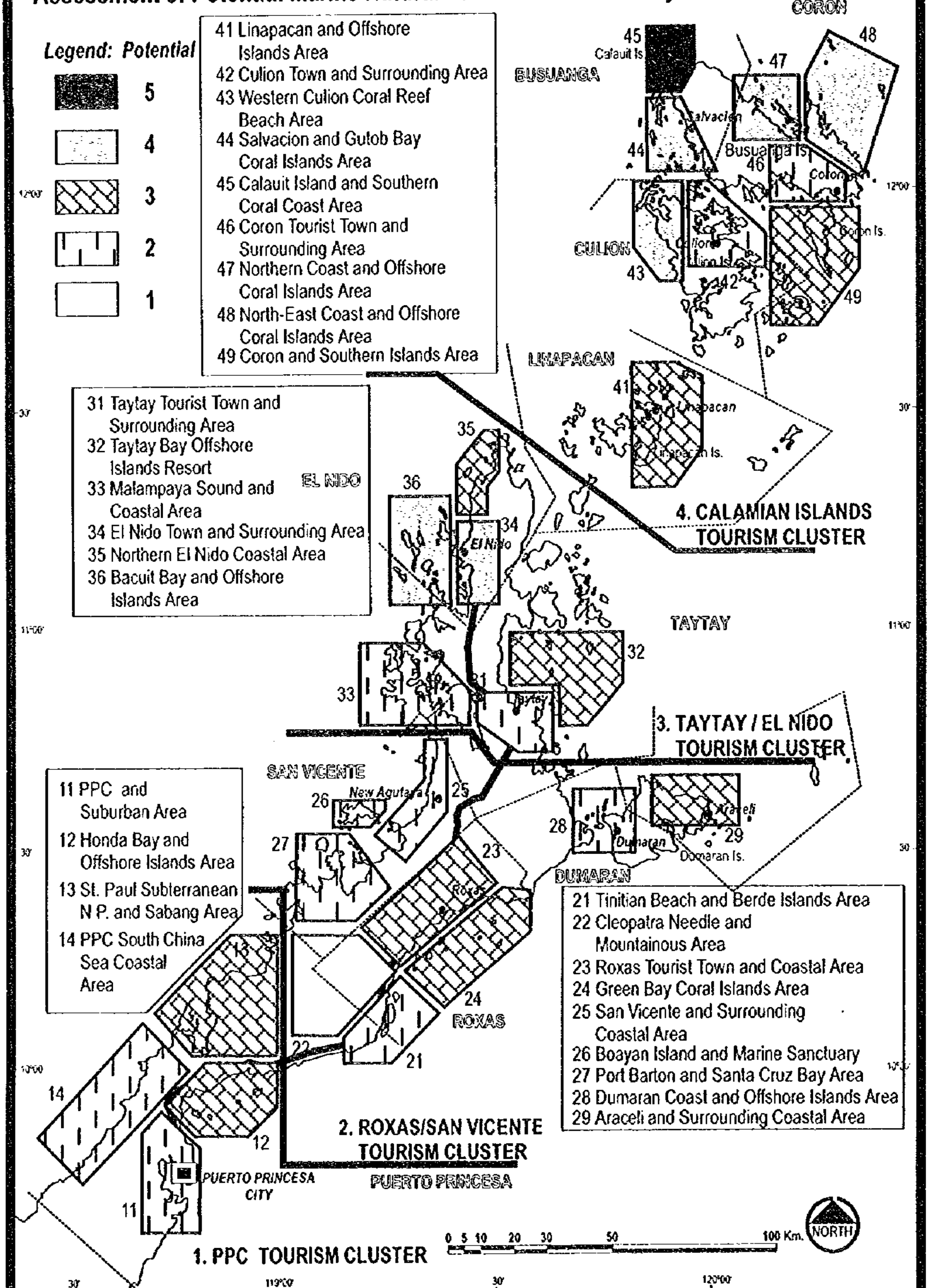
a) Areas with High-Quality Marine Tourism Resources

Most resource-endowed areas are located in Tourism Area-45: Calauit Island and Southern Coral Coast Area where there is a high potential of recreational and sports activities and opportunities for ecological tour. Secondary resource areas are located in the El Nido/Taytay Tourism Cluster and Calamian Islands Tourism Cluster, including the following:

- Tourism Area-34: El Nido Town and Surrounding Area
- Tourism Area-36: Bacuit Bay and Offshore Islands Area
- Tourism Area-43: Culion Western Coral Reef Beach Area
- Tourism Area-44: Salvacion and Gutob Bay Islands Area
- Tourism Area-47: Northern Coast and Offshore Islands Area
- Tourism Area-48: North-East Coast and Offshore Coral Islands Area

Figure 2-20

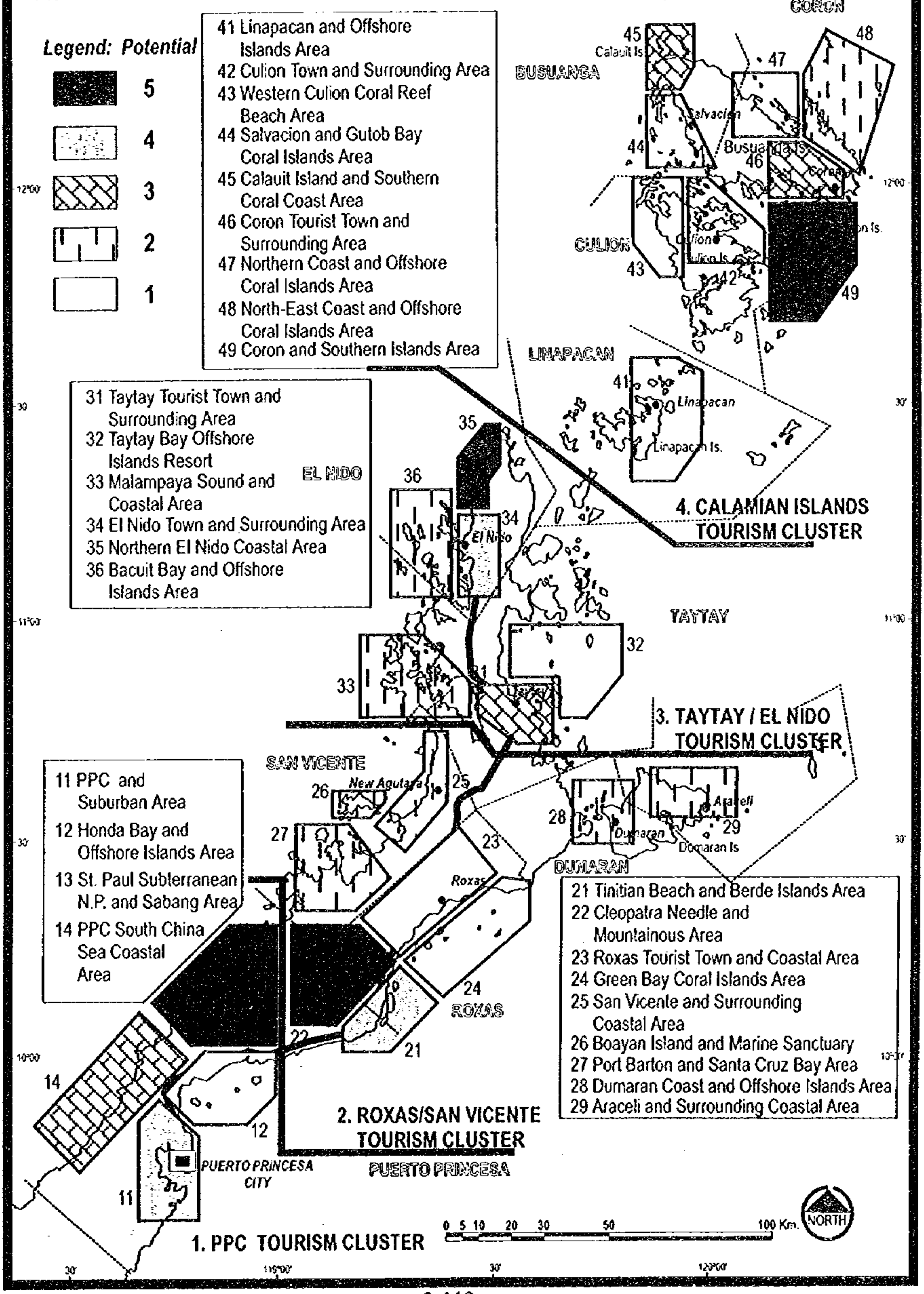
Assessment of Potential Marine Natural Tourism Resources by Tourism Area



Source: Study Team

Figure 2-21

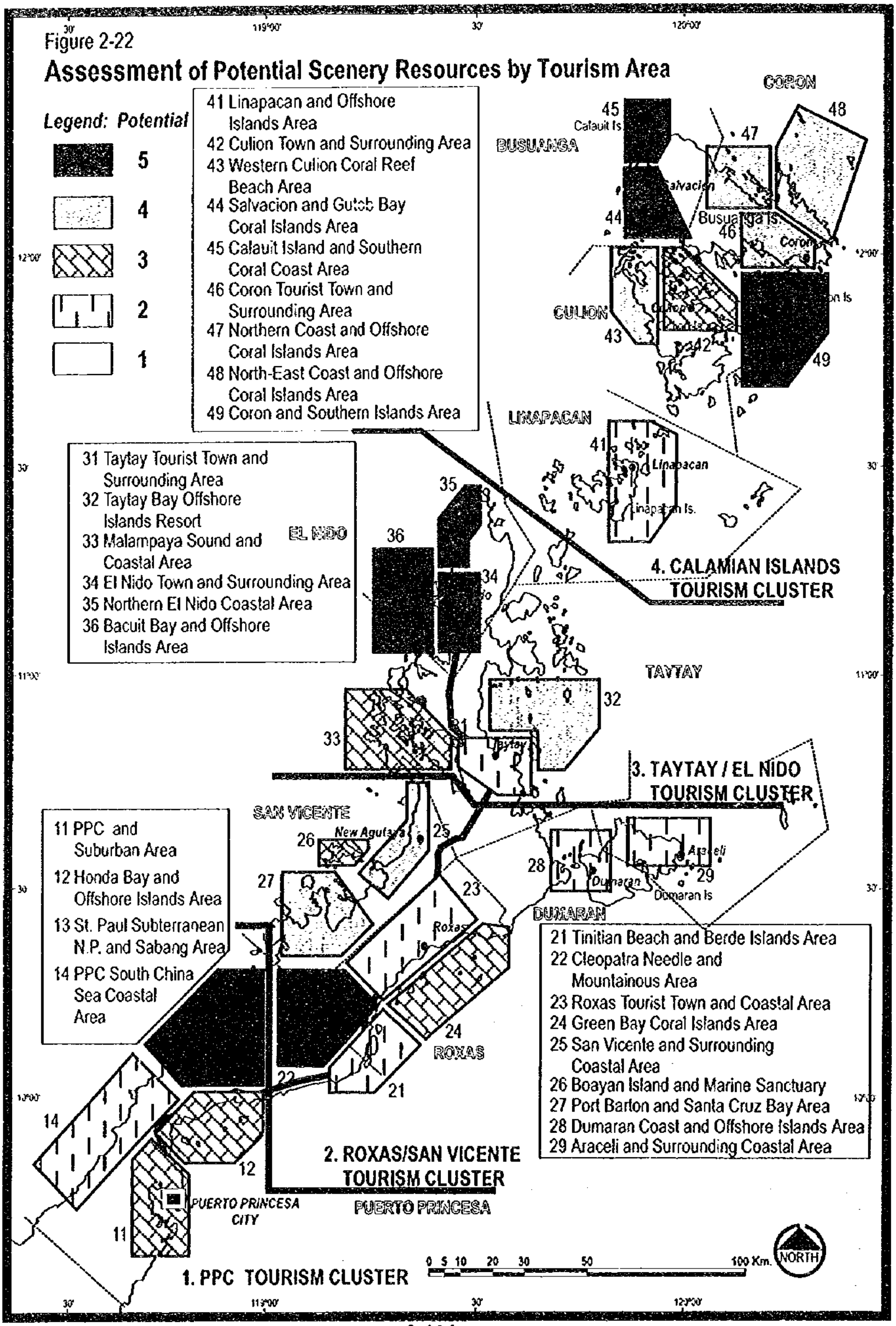
Assessment of Potential Inland Natural Tourism Resources by Tourism Area



Source: Study Team

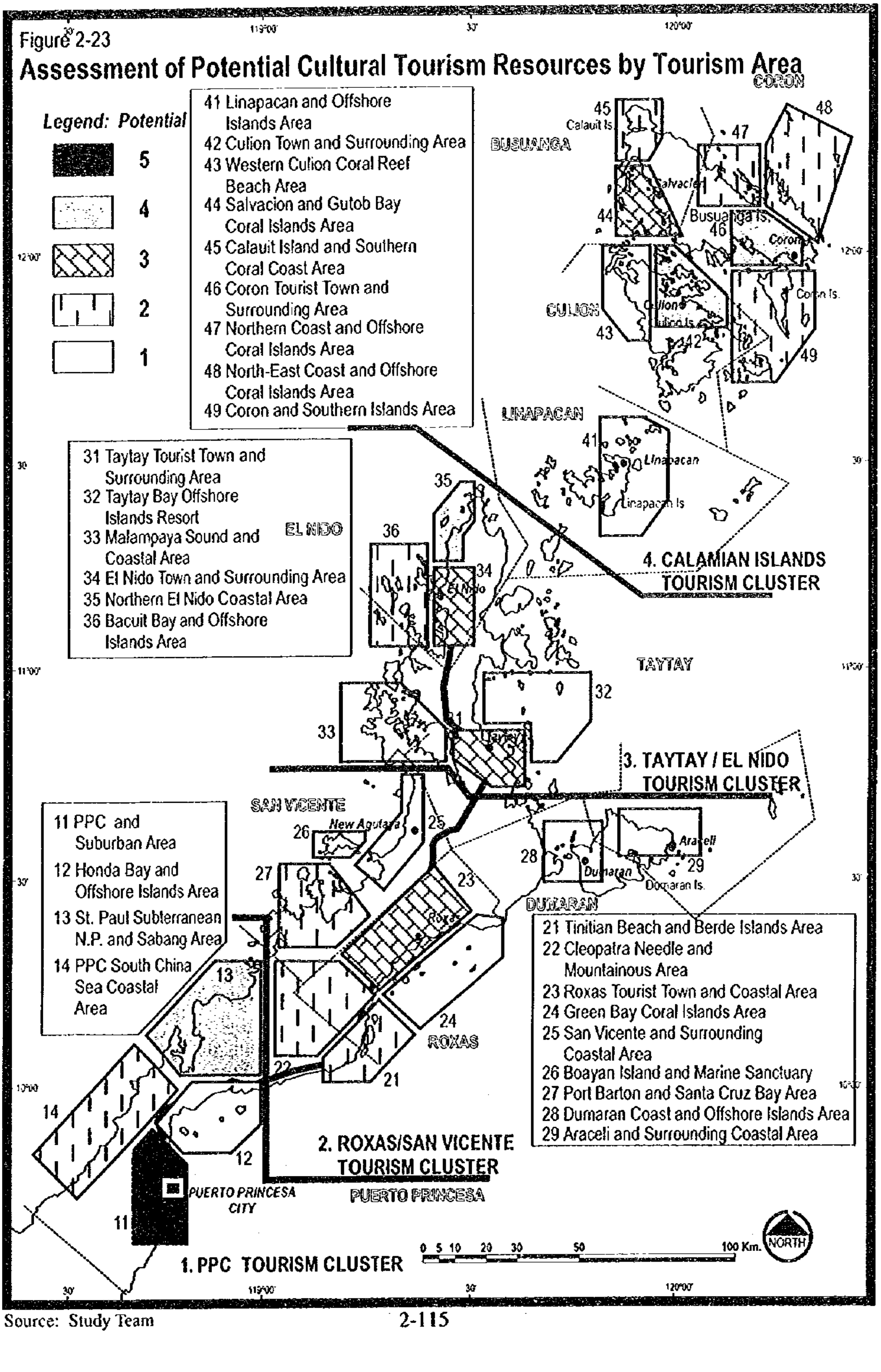
Figure 2-22

Assessment of Potential Scenery Resources by Tourism Area



Source: Study Team

Figure 2-23
Assessment of Potential Cultural Tourism Resources by Tourism Area



Source: Study Team

b) **Areas with High-quality Inland Nature Tourism Resources**

Tourism Area-13: St. Paul Subterranean National Park and Sabang Area: This is a very impressive inland natural tourism resource. However, the Underground River Cave has a rare and peculiar ecological system which will be designated as core area on environmental zoning. The objective of balancing tourism and conservation can be achieved by controlling the total number of admissions in a day and diversifying opportunities for ecological tourism activities outside the cave and park.

Tourism Area-49: Coron and Southern Islands Area: Coron Island and lakes comprise the most resource-laden areas. However, direct utilization of these resources is difficult due to geographic conditions and the much-needed conservation of the ecosystem. Observation from airplane and boat and diving on the coast will be allowed prior to the establishment of an environmental management program for the island.

Tourism Area-22: Cleopatra Needle and Mountainous Area: Rich natural virgin forest and indigenous minority groups are found in this area. These are one of the most interesting tourism resources. However, there is limited access to the area. A major part of this area is proposed as the core area for environmental zoning.

Tourism Area-35: Northern El Nido Coastal Area: This area boasts of diversified inland natural resources: marble Cliff, nido hunting and mountain cliffs.

c) **Areas with High-quality Scenery Resources**

Areas with high-quality scenery resources include the following:

Tourism Area-13 (St. Paul Subterranean National Park): Underground River create an impressive and mysterious scenic value and natural wonder; mountain cliffs, forests and farmlands create a beautiful scenery and provide a good sunset view.

Tourism Area-22 (Cleopatra Needle and Mountainous Area): Rich virgin forest and rare, beautiful and pristine flora and fauna create a good scenery while trekking or hiking, and provide a panoramic view of the sunset and sunrise from the mountain peak.

Tourism Area-34~36 (El Nido Town and Surrounding Area, Bacuit

Bay and Offshore Islands Area, Northern El Nido Coastal Area): Mountains and marble cliffs on the main island, blue sea, sky and rocky isles create an impressive, unique and beautiful scenery, as well as provide the best sunset views.

Tourism Area-43/44 (Culion Western Coral Reef Beach Area, Salvacion and Gutob Bay Islands Area): Beautiful white coral sandy beaches, isles, forest, mangrove forest and good sunset view create a wonderful scenery in the area.

Tourism Area-49 (Coron and Southern Islands Area): Mountain-shaped and blue-colored lakes and emerald green coral reefs create a breath-taking scenery from the airplane.

d) Areas with High-quality Cultural Tourism Resources

Tourism Area 11: PPC: This area is the most resource-endowed area in terms of diverse cultural tourism resources in the study area, followed by Tourism Area-42.

Tourism Area-42: Culion Town and Surroundings: This area includes wreck points, church inside a Spanish fort, remaining site of Japanese shrine, clean townscape and pearl farms.

Tourism Area-46: Coron Tourist Town and Surroundings: This area has rattan handicrafts, amenities in the port area such as fish market and rich seafood.

(3) Identification of Potential High-quality Tourism Areas

By consolidating the different tourism resources, areas with high potential tourism resources have been identified. In this assessment, relatively high weights have been given: 3 for marine resources, 2 for scenery resources, 1 for inland nature resources, and 1 for cultural resources (refer to Table 2-44 and Figure 2-24). Potential areas identified are categorized into high potential areas, potential areas and special interest areas. They are briefly as follows:

<High Potential Area>

Busuanga East Area: From the island of Calauit and the western part of Busuanga island, Gutob Bay islands are the high potential areas with good quality corals, other natural marine resources, good natural landscape and view, average accessibility and infrastructure conditions.

El Nido Western Beach Area: Situated in the Northern Area from Bacuit Bay, El Nido has a unique landscape and a number of marine recreation opportunities. The area's potential for tourism development is high because of the following factors: 1) good accessibility, 2) presence of basic infrastructure, and 3) availability of accommodation facilities.

Table 2-44 Assessment of Quality of Potential Tourism Resources by Area

	Tourism Cluster/Area	Rating[1/]				
		Marine Natural (3)	Inland Natural (1)	Scenery (2)	Cultural (1)	Overall Potential
1.	PPC TOURISM TOURISM CLUSTER					
	11. PPC and Suburban Area	2	4	3	5	4
	12. Honda Bay and Offshore Islands Area	3	1	3	1	3
	13. St. Paul Subterranean N.P. and Sabang Area	3	5	5	3	4
	14. PPC South China Sea Coastal Area	2	3	2	2	2
2.	ROXAS/SAN VICENTE TOURISM CLUSTER					
	21. Tinitian Beach and Berde Islands Area	2	4	2	2	3
	22. Cleopatra Needle and Mountainous Area	0	5	5	2	2
	23. Roxas Tourist Town and Coastal Area	3	1	2	3	3
	24. Green Bay Coral Islands Area	3	1	3	1	3
	25. San Vicente and Surrounding Coastal Area	2	2	4	1	2
	26. Boayan Island and Marine Sanctuaries	2	2	3	1	3
	27. Port Barton and Santa Cruz Bay Area	2	2	4	2	3
	28. Dumaran Coast and Offshore Islands Area	2	2	2	1	3
	29. Araceli and Surrounding Coastal Area	3	2	2	1	3
3.	EL NIDO/TAYTAY TOURISM CLUSTER					
	31. Taytay Tourist Town and Surrounding Area	2	3	2	3	3
	32. Taytay Bay Offshore Islands Area	3	1	4	1	3
	33. Malampaya Sound and Coastal Area	2	2	3	1	2
	34. El Nido Town and Surrounding Area	4	4	5	3	4
	35. Northern El Nido Coastal Area	3	5	5	1	4
	36. Bacuit Bay and Offshore Islands	4	2	5	2	4
4.	CALAMIAN ISLANDS TOURISM CLUSTER					
	41. Linapacan and Offshore Islands Area	3	1	2	1	3
	42. Culion Town and Surrounding Area	2	1	3	4	2
	43. Western Culion Coral Reef Beach Area	4	1	4	1	4
	44. Salvacion and Gutob Bay Coral Islands Area	4	1	5	3	4
	45. Calauit Island and Southern Coral Coast Area	5	3	5	2	5
	4. Coron Tourist Town and Surrounding Area	2	3	4	4	3
	47. Northern Coast and Offshore Coral Islands Area	4	1	4	2	4
	48. North-East Coast and Offshore Coral Islands Area	4	2	4	2	4
	49. Coron and Southern Islands Area	3	5	5	2	4

Source: Study Team

1/ Figures in parentheses are the weights given to the assessed tourism resources.

2/ Figures indicate the relative value of the tourism resources: 5 (highest), 4 (high), 3 (medium), 2 (relatively low), and 1 (low)

Puerto Princesa-St. Paul Tourism Corridor: The Puerto Princesa-St. Paul Tourism Corridor shows high tourism potential because of easy access, good infrastructure, availability and concentration of accommodation facilities and availability of manpower resources. With such tourism resources as caves, underground rivers, and other terrestrial natural resources, further tourism development is highly possible. The area has the potential to be developed earliest in the study area.

<Potential Area>

Coron Town and Neighboring Areas: The port town of Coron is a major fish landing in the Calamian group of islands, and functions as the core of major socioeconomic activities. Its tourism development potential can be found in the following: 1) hot springs close to the beach area, 2) rattan products which are sold locally and internationally, 3) unique dining opportunities, and 4) availability of souvenirs. These features position the town as one of the cultural and economic centers. Proximity to Busuanga airport would give easier access to tourists. Availability of basic infrastructure is relatively good. Human resources and education facilities are present. With these advantages, the area was selected as potential area.

Taytay Town and Islands: The town of Taytay and the surrounding areas have limited tourism resources, except for the Taytay Fort and Manguao Lake. It is evaluated higher than other areas in terms of level of infrastructure and availability of human resources. Around offshore islands, quality coral reefs and marine resources are observed. However, these areas are relatively far from Taytay town and Sandoval airstrip. There are few beaches which can be potential development sites. When such ideal development sites are occupied by community members, opportunities for development become limited. Moreover, initial investment for such island locations becomes higher.

San Vicente Area: The large beach area in San Vicente is a continuous stretch of area in arc form. The geographic formation of the beaches is ideal for concentrated investment; however, quality and diversity of tourism resources is low. Behind the beach area, villages and agricultural fields are concentrated. The land use conflict between tourism and local community is an issue that needs to be resolved. In the long-run, contentious issues in tourism development areas shall be resolved in favor of the social needs of community members. Based on such agreement, these areas can be utilized for tourism development as long as the beach holiday type of mass market segment remains.

Beaches in Port Barton and Santa Cruz Bays: Large-scale siltation and landslides remain unabated. Not only the terrestrial ecosystem, but also

corals and other marine resources have been damaged. Since the damage to natural resources is severe, tourism development efforts shall be limited to expansion and concentration of existing local cottages.
Roxas Town and Southern Beach Area and Green Bay Islands: Roxas town and southern beach areas have long beach areas; however, corals and other marine resources near the beach areas have deteriorated as what has happened in San Vicente. In offshore islands in Green Bay, some corals and marine resources are observed. With the remaining corals and indigenous culture as tourism resources, the area has the potential to receive overflow of tourists from the PPC Gateway.

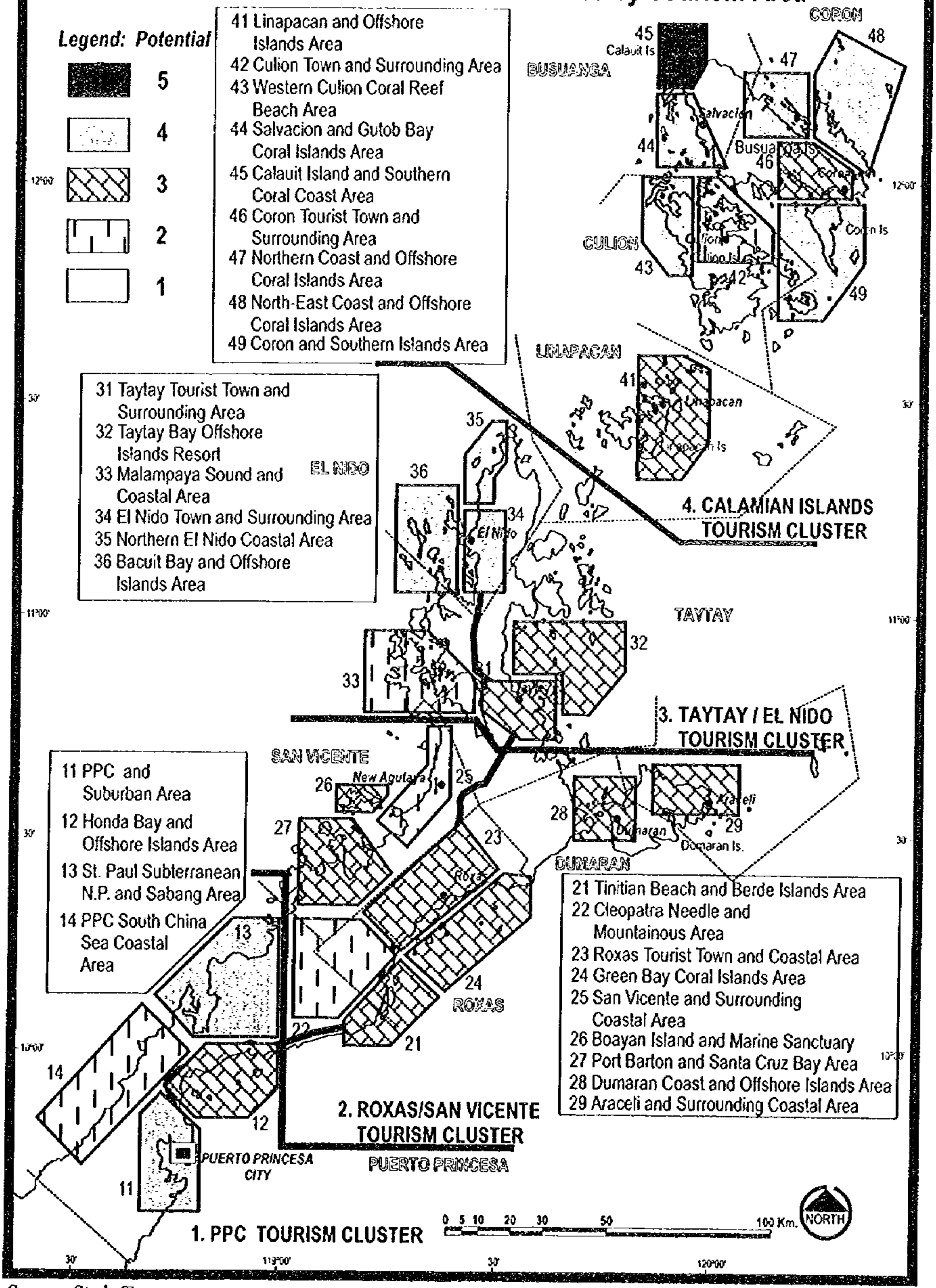
<Areas of Special Interest>

For the market segment that prefers unique tourism resources or isolated small development, marine sports, and adventure types, the following areas and locations are selected:

(i) Cleopatra Needle and Indigenous People: Exploration of nature and cultural history
(ii) Tinintian Beach and Northern Beaches: Isolated beaches and diving
(iii) Linapacan Islands: Isolated island resorts in small island groups and diving
(iv) Western Culion Beaches: Isolated beaches
(v) Culion Town: Cultural tourism
(vi) Coron Island and Surrounding Small Islands: Pleasure flight and small island resorts
(vii) North Eastern Busuanga Islands: Small island resort and diving
(viii) Northern Busuanga Islands: Small island resort and diving

Figure 2-24

Assessed Value of Potential Tourism Resources by Tourism Area



Source: Study Team